

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Monday, October 31, 1994

No. 34,733

Colorado Ex-Convict Charged in White House Fusillade

By Paul F. Horvitz

WASHINGTON — A Colorado man was charged Sunday with property and weapons violations after he pulled a semi-automatic rifle from beneath his raincoat the day before and sprayed the White House with as many as 30 shots.

There was no immediate suggestion from investigators that the incident was an attempted assassination of President Bill Clinton, but they did not rule out additional charges.

Federal officials said they were grateful

that the suspect, Francisco Martin Duran, an angry, dependent 26-year-old felon who had been drummed out of the military, did not injure anyone as he fired a Chinese-made SKS assault rifle from a Pennsylvania Avenue sidewalk through an iron fence about 75 meters from the residence.

The shooting raised new questions about the effectiveness of the Secret Service and placed the issue of gun control atop the political agenda.

White House officials, mindful of pivotal congressional elections a week away,

seized on the incident to point out that Mr. Clinton had only last month signed legislation banning certain military-style weapons similar to the SKS, a Chinese-made version of a Russian rifle. Republicans generally opposed the anti-crime measure.

"We think that it's time to get tough against these assault weapons," Vice President Al Gore said in a broadcast interview.

Leon E. Panetta, the White House chief of staff, said Mr. Clinton would go forward with a heavy political travel schedule and that no decision had been made on a Secret Service request to permanently

close the street and sidewalk adjacent to the White House.

The president's staff said he would attend a previously scheduled fund-raising performance Sunday evening at Ford's Theater, the site of the Lincoln assassination in 1865.

Investigators did not rule out the possibility that further inquiry would yield a charge of attempted assassination. But initial reports indicated that Mr. Duran was a disturbed man who acted alone and who, according to one account, carried a note

suggesting he wanted to die in a confrontation.

Mr. Clinton was in the White House on Saturday, watching a football game on television only a few hours after arriving home from the Middle East, and was unhurt in the mid-afternoon shooting. His wife and daughter were away.

Only one White House window, in a lower-level press room, was pierced. However, three bullets struck the upper walls of the building near the president's quarters.

See GUNMAN, Page 6

Israel to Ease Blockade at Palestinian Border Points

Announcement Is Made In Casablanca as Rabin Meets Arab Leaders

By Clyde Haberman

JERUSALEM — Israel said Sunday that starting on Tuesday it would relax the blockade that it had thrown around the West Bank and Gaza Strip after the Oct. 19 suicide bombing of a Tel Aviv bus that killed 22 passengers and the attacker.

At the same time, Israel and the Palestine Liberation Organization hammered out arrangements to station Palestinian police officers for the first time at the border crossings from Gaza into Egypt and from the West Bank into Jordan. They may take up their posts as early as Monday.

Both developments were announced in Casablanca, Morocco, where Israeli and PLO leaders met before the opening of a conference on economic development in the Middle East and northern Africa.

A large Israeli delegation went, including eight cabinet ministers and dozens of industrialists. Coming as it did only four days after Israel signed a peace treaty with Jordan, the Casablanca gathering was viewed by many here as another sign of its growing acceptance by the Arab world.

But they also recognized that progress on that front hinges to a degree on expanding their agreement with the PLO on Palestinian self-rule, still in its early stages in the Gaza Strip and the West Bank town of Jericho. And so a meeting in Casablanca on Sunday between the PLO chairman, Yasser Arafat, and Prime Minister Yitzhak Rabin of Israel amounted to a rescue mission to get their negotiations back on a firmer track.

They have been on a rocky course for weeks, jarred by several terrorist attacks carried out by the Hamas Islamic militants and capped by the Tel Aviv bus bombing.

Israel immediately scaled off Gaza and the West Bank after that attack, keeping some 60,000 Palestinian laborers from low-paying jobs in Israel and deepening the territories' economic troubles. For Israel, the separation was welcomed as both a security measure and a way to allow passions to cool. But for Palestinians, it came as collective punishment, and it weakened Mr. Arafat — and strengthened Hamas — by making him look like a captive of Israeli decision-makers.

Already feeling shunted aside by the Israeli-Jordanian treaty, the PLO made an end to the territorial closing its No. 1 demand. And Mr. Rabin, apparently con-

See MIDEAST, Page 6

This Time, No Panic

Security Aides Play Down the Shooting, Although Aerial Attack Is Still a Worry

By Stephen Labaton

WASHINGTON — In September, security officials looked rattled when a small Cessna airplane breached the closely guarded White House compound and, without warning, crashed under the president's bedroom.

But the same security officials took the shooting on Saturday in stride, declaring only a few hours afterward that the gunman was so inept that his barrage could not even be considered a serious threat on the president's life.

"I would not characterize this as an assassination attempt at all, no way," said Richard Griffin, assistant director for protective operations at the Secret Service.

The two incidents highlight the strengths and vulnerabilities of the security

But the official said the windowpane closest to the rostrum used by Mr. Clinton and other senior officials is bulletproof.

Mr. Corder, by contrast, showed that if a confused, intoxicated man with limited flying skills could almost manage to hit the president's bedroom with no resistance, then a determined, skilled assassin could inflict far greater damage with such an approach.

In part, the difference reflects experience. For more than 40 years, the Secret Service has planned extensively for assaults involving guns. The security concern goes back to at least 1950, when two Puerto Rican nationalists tried unsuccessfully to shoot their way into Blair House, the official guest residence, and assassinate President Harry S. Truman. He had been staying there during renovations on the White House.

The difference also results from the security strategy during an assault. Because the White House sits in the middle of a city, security is more defensive than offensive. The usual approach for protecting the president in an assault is to move him, because sharpshooters and Secret Service agents are reluctant to fire their weapons into the crowded streets around the compound.

With an airport moments away from the White House, however, an assassin intent on flying into the building would be difficult to detect quickly.

Even after concrete barriers were placed around the White House to prevent car bombings, the Secret Service has continued to ask permission to close Pennsylvania Avenue to traffic. To some security officials, the easiest way to protect the president would be to put him in a hermetically sealed bubble.

"This is a stark reminder to the president and his party of how vulnerable they are," said John Gaughan, a former director of the White House military office. Given the location of the White House, he said, the risk is "there day in and day out."

But the White House has resisted closing Pennsylvania Avenue because, as the chief of staff, Leon E. Panetta, explained again on Saturday, it does not want to project the image that the president's residence is inaccessible to the public.

"You have to do best you can to counter that," Mr. Gaughan said. "But this is America, and people have the right to see their house."



ty system around the 18-acre White House compound. They suggest that the president and others in the White House are more vulnerable to an airborne attack than to someone taking potshots with a rifle from Pennsylvania Avenue.

A senior White House official said that, in contrast to the midnight flight of Frank Eugene Corder, the assault on Saturday had no chance whatever of harming the president because he was in a building with thick walls and with bulletproof glass on all windows that count in terms of presidential security.

In the West Wing press room, one window that is standard glass was shattered.

Pope Names 30 Cardinals, Shuffling Succession Fight

By Alan Cowell

ROME — In a sweeping move for both the politics and the theology of the Vatican, Pope John Paul II appointed 30 new cardinals on Sunday, cementing his influence on the uppermost ranks of the Roman Catholic Church and upending previous calculations on the likely identity of his successor.

The new appointments from 24 countries will bring the number of cardinals under the age of 80 — and, therefore, eligible under church law to elect a new pope — to 120, the maximum number allowed to participate in the secret ballot that takes place in the Sistine Chapel when a Pope dies.

The vast majority, numbering 100, have now been appointed by Pope John Paul II, meaning that his doctrinal conservatism will survive well into the next century.

Addressing the faithful from his apartment high above St. Peter's Square, the Pope said he would summon the existing cardinals to Rome on Nov. 26 to confirm the appointments. The ceremony, called a consistory, will be the sixth since John Paul assumed the papacy in 1978 and, numerically, the biggest.

The last one was held in June 1991, before the Pope, now 74, began to show signs of frailty and ill health. He has walked with a cane since breaking his thigh in a fall last April and he canceled a scheduled visit to the United States this month after telling aides he did not feel able to face the rigors of the journey.

The Pope has traditionally used consistories to appoint like-minded clerics who

share his conservative views on abortion, contraception and the ordination of women, ensuring that his influence will not die with him.

In recent months, there have been widespread reports of maneuvering over the succession within the Vatican and much open speculation about who the next Pope might be. But the latest appointments, worked out in close secrecy by the Pope himself, could well overtake those calculations, changing both the line-up of political lobbies and providing a whole new range of potential candidates for the papacy.

"For all we know, the next Pope could be one of these new cardinals," said a senior Vatican official, who spoke in return for anonymity.

At present, the college of cardinals numbers 137, but only 98 of them are "cardinal electors," meaning they are under 80 years of age. Two cardinals will reach their 80th year next month. Of the 30 new cardinals, 24 are under the age of 80.

The Pope said the geographic spread of the new cardinals showed "the universality of the church and the multiplicity of its

See POPE, Page 6



CHANGING TIMES — Prime Minister Tomichi Murayama of Japan at an armed forces ceremony Sunday where he backed a strong defense. Mr. Murayama, when he was with the Socialist opposition, often derided the military.

EU's Growth Strains Paris-Bonn Alliance

By William Drozdzak

PARIS — The imminent expansion of the European Union to the north and the east is creating a deep cleavage of interests between France and Germany that may imperil closer political and economic integration, according to diplomats and politicians in several European capitals.

Once regarded as a vital adjustment to the new realities of the post-Cold War era, the incorporation of Austria, Norway, Sweden and Finland by the end of this year and perhaps such eastern states as Poland, Hungary and the Czech Republic by the end of the decade is provoking fresh alarm about the strategic consequences of such a dramatic shift in Europe's center of gravity. If the Union ignores Europe's

southern neighbors, France and its allies contend, it will do so at the coalition's peril.

"There is a major imbalance to the detriment of the south in favor of the east," said

Jacques Santer, deputy president of the European Commission. Page 2.

Manuel Marin, a Spaniard who heads the EU development aid program. "The east receives five times as much aid, although the south supplies much of Europe's oil and gas and has sent many more immigrants to work here. It's time to re-establish the balance."

While nobody is talking about revoking offers to prospective members, there is a

new sense of urgency among European governments that something must be done to cope with the centrifugal forces to prevent the Union from reverting to little more than a free-trade area, or even ultimately splitting apart.

"Contradictions are beginning to emerge, and we must prevent them from becoming lethal," said President Francois Mitterrand of France recently after two days of talks with Prime Minister Felipe Gonzalez of Spain on the looming impact of EU enlargement.

Worried by the threat of political instability in North Africa, the EU's leading southern states — France, Spain and Italy — have demanded that the Union turn its

See EUROPE, Page 6

IRA Leader Yields a Bit on United Ireland

By James F. Clarity

DUBLIN — Gerry Adams, the political leader of the Irish Republican Army, said Sunday that he could agree to a compromise solution of the sectarian conflict in Northern Ireland that fell short of the IRA's ultimate goal of a united Ireland.

In perhaps the most conciliatory statement he has made since the IRA began a cease-fire two months ago, Mr. Adams said that as president of Sinn Fein, the IRA's political wing, he still wanted a "unitary state" combining the North, a Protestant-dominated British province, with the overwhelmingly Roman Catholic Irish Republic.

But, asked in an Ulster Television interview if he was "prepared to accept a settlement that is something other than a united Ireland," he said: "Yes. I'm prepared to compromise. I'd like to see a united Ireland. I am an Irish Republican and make no apologies for that."

Referring to peace talks he expects to have with the British and Irish governments in the coming months, and talks he wants with Protestant leaders, he added, "We may have to talk about what replaces it, we may have to talk about transitional modes."

An Ireland uniting the six counties of

See ADAMS, Page 6

Kid Stress, a Symptom of Middle-Class India's Angst

By Molly Moore

NEW DELHI — Varun Bhatnaya was confident that he had answered every question correctly for his school admissions interview. He had practiced for weeks: He knew his name, his father's job, his mother's job.

So his mother was stunned when the prestigious New Delhi private school sent its icy rejection, declaring: "Your child was unable to perform according to the level of the school. Please do not make any further inquiries."

Varun, at age 3, had flunked his nursery

school entrance test, his first academic setback in a viciously competitive education system.

In India, where the world's fastest-growing middle class is undergoing profound changes in its professional and social expectations, toddler stress has become the latest manifestation of the frenetic race to get ahead.

Parents are imposing great demands on their children to jump-start their educations at earlier ages, hoping to help the youngsters cash in on lucrative futures in the country's newly liberalized marketplace.

"The middle class's aspirations are growing so rapidly they have realized that the only real ladder to rising economically and socially is through education," said Shakti Sinha, director of education for the New Delhi city schools.

Overachieving parents now begin grooming children as young as two and a half for the battery of entrance interviews for admission to the city's most elite private nursery schools. Once in school, the stress only increases.

A recent government-sponsored study found that 86 percent of private schools surveyed assigned an average of four to

11 books to toddlers between the ages of 2 and 3. As the youngsters reach first and second grade, they will tote a nine-pound load of books between school and home each day.

"For the children, it is sheer torture," said Nisha Mehra, a teacher at a New Delhi private school.

The trend has so alarmed the country's educators that the government next year will increase age limits on children entering nursery and preschools. This fall the government recommended, but did not

See INDIA, Page 6

Newsstand Prices			
Andorra.....9.00 FF	Luxembourg 60 L.	Fr	
Antilles.....11.20 FF	Morocco.....12 Dh		
Cameroon.....1.400 CFA	Qatar.....8.00 Rials		
Egypt.....E.P. 5000	Reunion.....11.20 FF		
France.....9.00 FF	Saudi Arabia.....5.00 FF		
Gabon.....860 CFA	Senegal.....940 CFA		
Greece.....300 Dr.	Spain.....200 PTAS		
Italy.....2.600 Lire	Tunisia.....1.000 Din		
Ivory Coast.....1.120 CFA	Turkey.....T.L. 35.000		
Jordan.....1.30 D.D.	U.A.E.....8.50 Dirh		
Lebanon.....US\$1.50	U.S. Mail (Eur.) \$1.10		

THE AMERICAS / DOWN TO THE WIRE

Once a Republican Sure Thing, Nov. 8 Is Looking More Like a Horse Race

By David S. Broder

Washington Post Service

WASHINGTON — The midterm election campaign enters its final eight days with an extraordinary number of close races — so many that the Nov. 8 results could add up to a historic Republican sweep or the Democrats dodging a big bullet.

Early on, Republicans, exploiting public discontent with incumbents, expanded the battlefield into many normally safe precincts to threaten some of the Democrats' most venerable names. In the last two weeks, endangered Democrats have fought back and turned likely losses into fierce struggles for survival.

Veterans of past political wars agree that the number of truly competitive Senate, House and gubernatorial fights is higher than normal — some say the most they can remember. Instead of clear front-runners emerging as voters begin to focus on

the alternatives, the list of undecided races has expanded.

At least 100 House districts, spread across the country from Maine to California, are in play. Nine or more Senate races — more than enough to decide which party controls that chamber — are too close to call. And 16 governorships — including the giant prizes of New York, Pennsylvania, Texas and Florida — are in the same category.

There are many individual factors at work, but interviews point to the intersection of two large forces. Throughout the year, a rising tide of voter anger at incumbent politicians in Washington and the state capitals opened far more contests than usual to aggressive challengers, most of them Republicans. Often, those challengers did so well in the early going that they established themselves as the ones to beat.

But one by one in the last two weeks Democrats have fought their way back into their races —

usually not emerging as clear favorites but putting the outcome in doubt. A rise in President Bill Clinton's approval rate has bolstered those individual efforts.

"I think we have turned a corner," said the Democratic National Committee chairman, David Wilhelm. "We have gone from a period of protest and discontent to a period where people are focusing on the real choice of ideas and alternatives."

Mr. Wilhelm and the White House political director, Joan N. Baggett, both said the process had been driven by two events.

The first was the end of Congress, which they said shifted public attention from the spectacle of day-to-day infighting, which enraged so many voters, and instead allowed incumbents to go home and remind their constituents of what had been accomplished since Mr. Clinton's election.

The second, they said, was the "Republican contract" signed Sept. 27 by more than 300 incumbents

and challengers, which, as Ms. Baggett put it, "gave a Reaganite platform to dozens of Republicans who until then were invulnerable to criticism because they had never held public office."

The Republican National Committee chairman, Haley Barbour, offered a different explanation for the Democratic recovery, pointing to "a wave of personal attacks" on threatening challengers like Mitt Romney and Michael Huffington, the Republican nominees in Senate contests in Massachusetts and California.

In House races, Mr. Barbour added, Democrats are exploiting the incumbents' often overwhelming financial advantage to bury the opposition in negative ads. That is particularly the case in the many races in suburban districts around such large cities as New York, Chicago, Detroit, Houston, Dallas and Los Angeles, where local television time can be murderously expensive for candidates with limited budgets.

Nonetheless, Mr. Barbour said, "80 percent of the close races are being fought on Democratic territory," meaning that the best Democrats can hope for is to retain offices they already have.

That is dramatized in the gubernatorial elections. While Republican incumbents appear to be comfortably ahead in Illinois, Ohio, Michigan, Massachusetts and Wisconsin, among others, Democratic governors are holding on for dear life in such other large states as New York, Texas, Pennsylvania, Florida and Georgia.

Similarly, in Senate races, eight of the nine closest contests are for seats now held by Democrats in Tennessee, where two seats are at stake, and in California, Michigan, New Mexico, Oklahoma, Pennsylvania and Virginia. Only the open Republican seat in Minnesota breaks the monotony of the pattern.

After Crash, Navy Defends Women Pilots

By Eric Schmitt

New York Times Service

WASHINGTON — The death of one of the navy's first female combat pilots has rekindled tensions within the military over the decision to expand the roles available to women, even though the cause of the accident is not yet known.

Navy officials from Honolulu to Washington are going out of their way to defend the pilot, Lieutenant Kara Hultgreen, against what they say are spurious accusations about her flight record — and to defend the new roles for women in general.

Several news organizations in Southern California have received faxes, apparently from disgruntled male aviators, raising questions about her flight tests.

As friends, relatives and a high-level delegation of navy officers gathered Saturday in San Antonio at a memorial service for the 29-year-old aviator, many expressed anger at the

largely anonymous campaign to challenge her credentials.

"She was very highly regarded," said Lieutenant Matthew Klemish, the plane's radar-intercept officer, who ejected safely. He declined to discuss Tuesday's accident.

The accusations underscore the depth of resentment some male pilots still feel toward permitting women into their once-closed fraternity.

"I'm embarrassed by all this," said a senior navy officer based in Hawaii. "This doesn't make the navy look like a very solid institution."

Investigators suspect engine problems caused Lieutenant Hultgreen to lose control of her F-14 Tomcat and crash into the sea as she was preparing to land on the aircraft carrier Abraham Lincoln 40 miles (65 kilometers) southwest of San Diego.

But they cannot be sure whether mechanical problems or pilot error were to blame until the plane is raised from the ocean floor. Her body has not been recovered.

A lot is at stake in this inquiry. Some male pilots have complained that the first group of women allowed to fly combat missions since the Pentagon lifted a ban last year have received preferential treatment from a navy hierarchy eager to push them through the training pipeline to erase the stain of the Tailhook sexual harassment scandal. Navy officials adamantly deny this.

The crash also underscores that even in peacetime, operating complex weapons of war is a hazardous business. Ten F-14 aviators have died in training accidents since 1992.

Investigators initially thought Lieutenant Hultgreen went down with her plane. But navy videotape of the accident showed that as her F-14 rolled sharply to the left, she was ejected down into the water moments after Lieutenant Klemish was ejected clear of the plane. Investigators believe she died instantly.

By nearly all accounts, Lieutenant Hultgreen was handling the pressure of her pioneer position with aplomb. In April, she narrowly failed on her first attempt to qualify for carrier missions. Navy officials say about 25 percent of all pilots fail on their first try. But in July, Lieutenant Hultgreen passed easily, and was assigned to Fighter Squadron 213, an F-14 unit at Miramar Naval Air Station in San Diego.

"We were a little apprehensive at first about women driving the plane, but she got ahead of that thing and knew what she was doing," said Captain Tom Schickel, who commanded Lieutenant Hultgreen's F-14 training squadron.

Lieutenant Hultgreen warned her superiors against allowing any leniency toward women. Rear Admiral Robert Hickey, commander of the Nimitz carrier battle group in San Diego, recalled the lieutenant telling him last year: "Guys like you have to make sure there's only one standard. If people let me slide through on a lower standard, it's my life on the line. I could get killed."

For investment information, read the MONEY REPORT every Saturday in the IHT.



Paula A. Coughlin, left, and her mother Rana, center, leaving Las Vegas court.

\$1.7 Million Tailhook Award

Hotel Found Negligent in Not Protecting Navy Woman

By Kenneth B. Noble

New York Times Service

LAS VEGAS — Concluding that the Las Vegas Hilton Hotel was negligent by failing to set up adequate security during the Tailhook Association's bawdy 1991 convention here, a jury has awarded \$1.7 million to a former navy lieutenant who was among several dozen women sexually assaulted at the gathering.

The victory by former Lieutenant Paula A. Coughlin seems certain to set the stage for at least a dozen other lawsuits against the Hilton, the site of the gathering by aviators that led to navy and Pentagon investigations that concluded that 83 women had been assaulted or at least harassed by naval aviators at the Hilton Hotel.

The decision to award compensatory damages for Ms. Coughlin's emotional distress came on the second day of deliberations by the four-man, four-woman jury.

The jury is scheduled to return Monday to decide whether Hilton must pay punitive damages to Ms. Coughlin. Hilton's lawyer, Eugene Wait, was told to bring financial

statements from Hilton Hotels Corp. to court for the jury to evaluate.

Ms. Coughlin, 32, a helicopter pilot and former aide to Rear Admiral Jack Snyder, resigned from the service on May 31, saying she had endured unrelenting pressure because of her complaint.

Her suit accused the Hilton Hotel here of failing to provide proper security even though many of the 19 previous Tailhook conventions held at the hotel had turned into weekends of drunken debauchery. Ms. Coughlin had also sued the Tailhook Association, but settled for an undisclosed amount days before the trial began.

Ms. Coughlin set off a storm in the military when she said publicly that she had been assaulted at the convention. There was no dispute during the seven-week trial that Ms. Coughlin had indeed been groped by drunken male aviators in a crowded third-floor gauntlet.

Lawyers for the defense had suggested that Ms. Coughlin had been a willing participant in some of the debauchery.

Away From Politics

• A fire fighter was killed and another was injured in Newark, New Jersey, when they came into contact with a high-tension electrical wire while battling a two-alarm house fire that had already killed a resident, the authorities said.

• Two federal agents have been fired for their roles in leading the raid on the Branch Davidian cult leader David Koresh and about 100 of his followers. The Bureau of Alcohol, Tobacco and Firearms fired Charles Sarabyn and Phillip Chojnacki, both based in Houston. The men, who deny any wrongdoing, led about 100 agents in the Feb. 28, 1993, raid near Waco, Texas, during which Mr. Koresh was arrested on weapons charges. Four agents and six cult members were killed.

• The number of violent crime victims in the United States increased by nearly 6 percent in

1993, continuing a seven-year upward trend, according to a Justice Department report. The annual survey found that the increase stemmed mainly from more attempted assaults and robberies. The survey also showed there were almost 500,000 sexual attacks last year, including 160,000 rapes, 152,000 attempted rapes and 173,000 other sexual crimes. Other assaults, including domestic violence, were up about 8 percent. More murders and a wave of drug-related incidents with deadly weapons have been cited for the highest violent crime rate since 1986.

• Despite growing public suspicion against a South Carolina mother who claims her two sons were kidnapped in her car, she is not a suspect in the case, the police said. Reports said Susan Smith had failed a lie-detector test.

NYT, AP, Reuters

POLITICAL NOTES

Mexico Bait Golden Bear

MEXICO CITY — Responding to nationalist outrage here over California's Proposition 187, the Mexican government is sponsoring a delicate but concerted campaign to defeat the state ballot measure without violating a cherished policy — noninterference in other nations' internal affairs.

In recent interviews, Mexico's point man on the issue, Deputy Foreign Secretary Andres Rozental, has condemned the proposal to deny public services to undocumented aliens in the Golden Bear state and confirmed the Mexican government's formal efforts to fight it.

But in defining Mexico's strategy to block an initiative that might affect hundreds of thousands of undocumented Mexicans in California, Mr. Rozental also was concerned about the balancing act facing this nation, most affected by the proposal.

At the core of Mexico's argument, Mr. Rozental and Foreign Secretary Manuel Tello agreed in separate interviews, is the belief here that Mexicans in California are being used as scapegoats for an economic crisis that is unrelated to undocumented migrants. (LAT)

Clinton Cross-Country Run

WASHINGTON — President Bill Clinton plans a nearly nonstop week of campaigning for Democratic candidates, beginning Monday and probably lasting until an election that will shape

his next two years in office, according to White House officials.

The grueling cross-country swing is an effort to make up for a lost week of campaigning jettisoned in favor of the president's visit to the Middle East last week. Focused on tight races in states where the White House hopes that Mr. Clinton's presence can add a last-minute boost, it reflects increased White House optimism that the Republicans may indeed — as Mr. Clinton suggested recently — have peaked too soon.

White House Chief of Staff Leon E. Panetta said Mr. Clinton's campaign efforts "turned him on" and described the president as eager to return to the campaign trail.

The schedule keeps Mr. Clinton away from the Southern and Rocky Mountain states where there are important close races but Mr. Clinton's popularity is relatively low. But it includes stops in most other regions of the country, including states where some candidates — notably a Democratic Senate candidate in Michigan, Bob Carr — had previously shied away from being seen with the president.

Blacks Sour on Democrats

PHILADELPHIA — If this is the season of voter discontent, it is particularly true among black voters, who have long been the most dependable Democratic partisans, casting 82 percent of their ballots for Mr. Clinton in 1992, and 89 percent for Democratic House candidates that year.

Though black voters are not about to

defect to the Republican Party, many say that as they watch their neighborhoods fall to neglect, they have no patience for the new tough lines from Democrats on crime and welfare, which many interpret as anti-black.

"All I hear is these Democratic candidates talking about the crime bill," said Chris Williams, 46, an iron worker. "But why do they talk about just building jails? Why don't they talk about building schools? That's not asking a lot."

Unlike other loyal Democrats, many blacks said in interviews that they had not soured on Mr. Clinton. They gave him credit for intervening in Haiti and for trying on issues like health care. Still, their bottom-line was that Washington seemed to have done little to help them out. They said that they felt neglected and that Democratic candidates were not even making an effort to get them to vote.

"What politicians offer blacks is no good to us," said Willie A. Parham, 25, a maintenance worker in Richmond, Virginia, who, after voting in previous years, has no interest this year. "It's like the Janet Jackson song, 'What Have You Done For Me Lately?'" (NYT)

Quote/Unquote

Richard Griffin, assistant Secret Service director for protective operations, on the gunfire at the White House: "I would not characterize this as an assassination attempt at all, no way. The president was in no danger, whatsoever." (AP)

Street Frenzy Chokes Haiti's Capital

By Tod Robberson

Washington Post Service

PORT-AU-PRINCE, Haiti — President Jean-Bertrand Aristide's restoration to power here two weeks ago, following the departure of the military leaders who ousted him in a 1991 coup, has unleashed a kind of upbeat chaos on the streets of Port-au-Prince not seen since he was inaugurated earlier that year.

Boulevards are clogged with army trucks and resurrected wrecks. Garbage dumps draw huge crowds vying for the choicest trash. And at City Hall and the National Palace, officials appear to be having little success in controlling the turmoil.

"This is more than anarchy," Mayor Evans Paul said in an interview Saturday. "It's not the population itself, but rather the government that is anarchic."

"This is a city that has not been properly run for more than 40 years," he said.

Although the number of U.S. soldiers has dropped to about 16,000 from the nearly 20,000 who began deploying here Sept. 19, their presence continues to add two elements of confusion on the streets: garbage and traffic.

Garbage has become a coveted commodity among impoverished Haitians, and competition for the choicest refuse has spawned conspiracy theories. One has it that businessmen are conspiring to steal all the good trash, that from the U.S. troops, and sell it to profiteers.

"Everybody wants it because the American garbage is better," said Lafleur Diemer, a 19-year-old garbage picker. "The American trucks aren't coming here like they used to."

The arrival of an American military garbage truck at the

dump a few days ago provoked such a delighted frenzy of pilfering that U.S. soldiers had to spray tear gas on the crowd to prevent the truck from being torn apart.

"People complain that the quality of the trash is going down because the trucks aren't coming around anymore," said the U.S. Embassy spokesman, Stanley Schragar. "I keep getting calls from people wanting to know what we're doing with all the MREs." The military's Meals Ready-to-Eat packets are much sought-after among poor Haitians.

The daily scavenger hunt at the dump is a far cry from the scene there six weeks ago, when the bullet-riddled bodies of two children were discovered among the heaps of garbage. Now, lucky scavengers are uncovering raincoats and U.S. Special Forces T-shirts. And there are still hundreds of MRE packets, some still unopened, to be found.

The empty foil packets are being used as ashtrays, roof patches and hats, among other things. In the southern port town of Jacmel, a civilian converted one into a wallet.

Elsewhere in the city, piles of garbage have turned clogged boulevards into one-lane alleys, which then often are blocked by trucks hired under U.S. government contracts to haul the trash away. It is common to see workers newly hired by contractors of the U.S. Agency for International Development shoveling garbage from an open sewer, while barely a mile upstream, other workers shoveled refuse into the same canal. Thus, a seemingly endless source of employment is created.

Traffic in Port-au-Prince has never been worse, longtime residents say. Thousands of military vehicles ply the streets in huge convoys, causing milelong traffic jams several times a day. Crowds form around troops who, in full combat gear, patrol the streets on foot or atop vehicles, distributing literature explaining why U.S. troops are in Haiti. Other troops man machine-gun nests outside government buildings, spending much of their time politely asking civilians to leave them alone. The Haitians rarely comply.

"We want to get out of here as soon as possible," a U.S. official said.

cial said. "The Haitians want us to stay for the next 50 years."

Elsewhere on the streets, cars that have not been driven in years, largely because commercial embargoes imposed on Haiti's military regime pushed gasoline prices prohibitively high, are being cranked up for a spin. Add to that the thousands of parents who are now driving their children to newly reopened schools, and a two-mile drive through town can take up to an hour.

Street vendors, motorists and pull-cart operators all compete for precious space on city streets with beggars, money-changers, car repairmen and poor Haitians who use gutter water to bathe.

Still another cause of the city's snarled streets is the newly retrained and user-friendly Haitian police force. Once reviled as a notorious human rights abuser, the force is being screened and retrained by specialists from the U.S. Justice Department.

Their guns have been handed in. They wear crisp white gloves as they walk the streets under tight American supervision, directing traffic and helping civilians in distress.

Wilbert Harrison Dies, Sang 'Kansas City'

The Associated Press

SPENCER, North Carolina — Wilbert Harrison, 65, whose song "Kansas City" became one of the most famous songs of the early rock-and-roll era, died Wednesday of a stroke.

"Kansas City," recorded in 15 minutes in 1958, topped the pop charts for two weeks in May 1959, and was by far Mr. Harrison's biggest hit. The song, a version of the old blues tune "K. C. Loving," was also

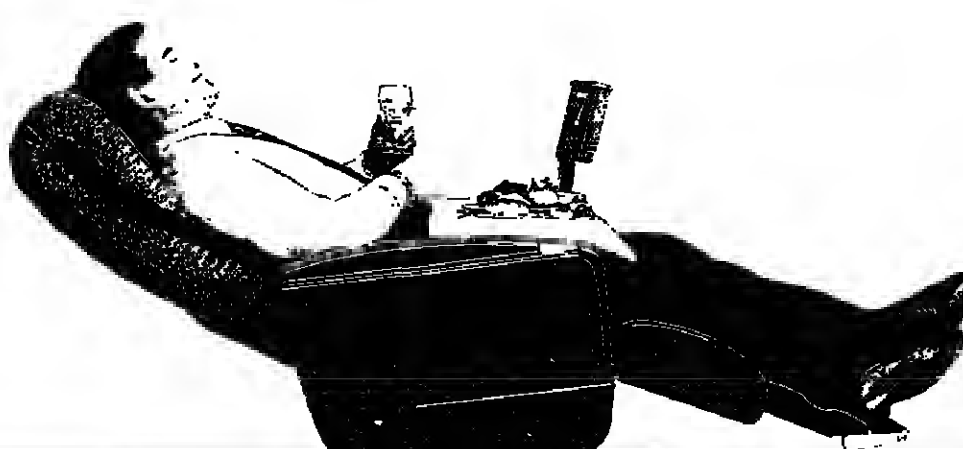
performed by The Beatles, James Brown and Ann-Margret.

Mr. Harrison started performing at age 16 at clubs in his hometown of Charlotte, North Carolina. After four years in the navy, he lived in Miami, where he won a local amateur show six straight times. He cut records over the next several years, but they went nowhere and he moved back to Charlotte in 1956.

Two years later, he was invited to come to New York and record a few songs for a record-label owner. At the end of the session, Mr. Harrison paid \$40 for 15 minutes of extra studio time to cut one more song — "Kansas City."

Devendra P. Varma, 71, a scholar of English Gothic tales and a connoisseur of vampire lore, died Oct. 24 of a stroke in Merriken, New York.

DON'T JUST
UPGRADE YOUR
SEAT, UPGRADE
YOUR AIRLINE.



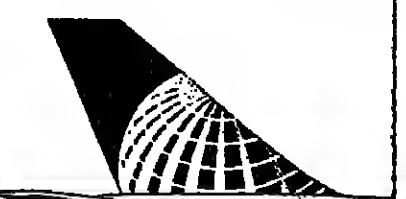
Continental Airlines

FIRST CLASS COMFORT FOR A BUSINESS CLASS FARE.

Airline	Business Class Sleeper Seat	Business Class Pitch
American	NO	40"
Air France	NO	38"
British Airways	NO	40"
CONTINENTAL	YES	35"
Delta	NO	41"
Lufthansa	NO	40"
United	NO	40"

*Seating subject to change without notice and subject to aircraft configuration. **Pitch measured from seat back to seat back.

Flights from London, Paris, Frankfurt and Madrid to New York, Houston and Denver and on to 130 U.S. cities.



Herald Tribune

Published With The New York Times and The Washington Post

A Slow Start for Aristide

With his presidential term interrupted by three years of enforced exile, the Reverend Jean-Bertrand Aristide had ample time to think about how and where he would lead Haiti once he got back. Yet two weeks after his return, key cabinet jobs remain vacant and the government has offered only a vague blueprint for the remaining 16 months of its mandate.

It is obviously impossible, in such a short time, to fulfill the material hopes placed in this government by the millions of poor Haitians who elected it, suffered for it and patiently awaited its return. All the more reason for Father Aristide to encourage thinking about longer-term economic prospects to assure people that today's sacrifices are not in vain.

He has named a new prime minister, Smark Michel, a businessman and long-time associate. But the rest of the cabinet consists of holdovers from the caretaker government of Robert Malval, who resigned almost a year ago. The most important ministry, justice, remains vacant. Mr. Michel is a bridge between the president and the largely anti-Aristide business elite. The gesture is important, but Mr. Michel wields far less influence among business leaders than, for example, Mr. Malval. Without embracing people who do not share his commitment to the poor, Father Aristide needs to reach out further to progressive business leaders and members of Parliament who would work with him if he asked.

In that regard, the president's harmonious meeting Thursday with a broad spectrum of political leaders was an encouraging sign. Haiti's most urgent problems are establishing political stability, demilitarizing the streets and reconciling factions divided mainly by personalities and history, not ideologies of left or right.

The only other clue to the government's intentions is a strategy statement drafted by Father Aristide's economic consultants who met with international financial institutions in August. The consultants told the bankers what they want-

ed to hear. The statement offers the usual pieties about budgetary austerity, tariff reduction, getting government out of the marketplace and shrinking bureaucracy. Many of these goals are worthy, but the plan makes little attempt to reconcile them with Haitian realities, leaving the impression that it is intended mainly for foreign consumption, not actual application.

Given Haiti's extreme problems of mass poverty, physical intimidation and lack of legal accountability, the government cannot just pull back and expect private institutions and markets to function as they might elsewhere.

If Haiti is to find a place in the regional economy, it must be based on a realistic appreciation of what role a country with limited resources can play. Perhaps Haiti will want to compete with other Caribbean countries as a tourist destination, or try to rebuild the export assembly industries it began to attract in the late 1980s. The government cannot make these decisions on its own, but all are politically sensitive. By facing up to them now, the Aristide government can smooth the way to their future acceptance and offer people some concrete hope of a better future.

The deepest problem is creating, for the first time in Haitian history, a justice system worthy of the name. That will involve hiring and training a new civilian police force almost from scratch and thoroughly reforming the courts. And some credible way must be found to investigate crimes committed during the dictatorship, to channel popular anger away from street vengeance. The first step is naming a respected justice minister.

The wisest strategy for Washington right now is to resist all temptation to let U.S. forces step into roles that Haitians themselves must play. For his part, Father Aristide can show his appreciation to President Bill Clinton by moving as swiftly as possible to rebuild a Haiti that can stand on its own and let those 16,000 U.S. troops speedily return home.

—THE NEW YORK TIMES

Legacies of Soviet Decay

Russia has become accident-prone. Now a huge oil spill has developed near the city of Ustinsk, just below the Arctic Circle, where a decrepit pipeline has been leaking for months. Despite the leaks, the Russians have continued to try to use the line because they badly need the oil.

This spill has much in common with other recent industrial accidents and ecological disasters in Russia. Their origins lie in the last 15 years or so of the Soviet regime, when the pressure of a growing economic crisis led to a reckless emphasis on production with no thought for even minimal maintenance, safety standards or protection of the environment. The Soviet Union is gone, but the people who have inherited its industrial structure are desperate for fuel and export earnings. They understand the risks in continuing to use defective equipment, but they cannot afford to shut the country down for repairs.

Russia's oil production last summer was around 6 million barrels a day, according to the International Energy Agency — barely half the level of the peak a decade ago. But one-third of that production goes abroad, and Russia remains one of the world's major exporters. Keeping up that flow is crucial to the country's financial plans.

At least the oil spill represents only a slight threat to human health. That is not true, unfortunately, of the water pollution throughout the former Soviet Union. Nor is it true of the nuclear hazards.

In Uzbekistan, the Aral Sea has shrunk to half its former size because of the diversion of two rivers to irrigate cotton fields. Those rivers are poisoned with sewage and pesticides, and that seems to be related to the soaring rates of tuberculosis and other diseases, but it will not be remedied soon. Cotton is Uzbekistan's leading export.

As for nuclear energy, Russia is still using 11 reactors of the Chernobyl type. In Ukraine, at Chernobyl, site of the 1986 catastrophe, two of the original four reactors are still producing power. Both are down at the moment, one for maintenance and the other because of a recent accident. But they will both be in operation this winter. Ukraine needs the electricity.

The West has promised help with the cleanup and upgrading and prevention. But so far the promises have produced little more than redundant reports by consultants. In most cases, like the leaking oil line, everybody knows what needs to be done. But doing it is formidably expensive and will require decades.

—THE WASHINGTON POST

Other Comment

Sharpen the Message for Assad

Given the chance to condemn terrorism publicly during his joint news conference with President Bill Clinton in Damascus last week, President Hafez Assad of Syria chose instead to maintain an aloof silence. Asked about his own country's role in sponsoring and harboring terrorists, he could do no better than lamely assert that no one can prove Syria's guilt in these matters. These are not encouraging responses from the leader of a country that, this year as in years past, occupies a prominent place on the U.S. State Department's list of countries involved in terrorism.

That Syria is officially condemned for state terrorism means that Mr. Clinton assumed certain political risks when he decided to honor Mr. Assad by visiting him in his capital, Mr. Assad, while clearly relishing the honor, did nothing, however, to help out his visitor. He denied that the subject of Syria's terrorism came up in his three or four hours of talks with Mr. Clinton. Mr. Clinton indicated the issue did come up, but he does not seem to have pressed it forcefully. No doubt his rationale was that in the limited time available he wanted to focus on what Syria could do to move its peace negotiations with Israel along. Still, it's obvious Mr. Clinton missed a rare opportunity to

make it clear that so long as Syria plays the terrorism game its relations with the United States will suffer.

It has been left to others to make that point, most immediately to Senators Patrick Leahy, Democrat of Vermont and member of the Foreign Relations Committee, and Dennis DeConcini, Democrat of Arizona and member of the Intelligence Committee. Both accompanied Mr. Clinton to Damascus. Both also indicated after the Clinton-Assad meeting that they would oppose better relations with Syria until Mr. Assad acts to shut down the terrorist groups whose headquarters he permits in Damascus and to stop aiding Hezbollah, which operates out of Syrian-controlled southern Lebanon and receives a steady flow of Syrian arms and explosives.

Mr. Assad has always been shrewd in keeping his options open. Presumably he continues to regard Syria's association with terrorism as one more card to play in the long poker game of Middle East politics. If he ever gives it up, he will want something of high value in exchange. He has things backward. What Washington should make clear is that first Syria must end its involvement with terrorism, then it will be possible for the United States to consider a closer bilateral relationship.

—THE LOS ANGELES TIMES



America on the Golan? A Debate to Watch

By Stephen S. Rosenfeld

WASHINGTON — With President Bill Clinton having now taken the — very hard — road to Damascus, it is late in the day but still essential to review a particular item he brought there and to Jerusalem as well. This would be a U.S. commitment to help keep the peace that is meant to emerge if Israel and Syria agree on the terms by which the Golan Heights go back to Syria.

It sounds brave and New Age: American soldiers in their own or perhaps UN helmets looking up the last strategic piece of the Arab-Israeli jigsaw. The momentum that such an offer could be expected to lend the peace process is what took the Clinton administration to this place, Secretary of Defense William Perry told some of us last week.

To get there, however, the administration had to clamber over some hurdles. One, Mr. Perry indicated, was awareness of a historic Israeli interest in maintaining the option of preemptive attack in a crisis — an option that international forces might crimp. A second was the "schism" between Israeli settlers and the government on what kind of a settlement the country eventually wants. "In many ways, that's one of the biggest problems we would have in trying to enforce any kind of a peace agreement," said Mr. Perry.

In fact, the American and Israeli debate — is there any debate in Syria? — goes to the tender core of post-Cold War regional stability. The United Nations is in a phase on peacekeeping where its resources have been stretched thin, its capabilities often found wanting and its self-confidence much dimmed. Hence the impulse of Israel —

whose arms, grit and friendship with America give it a rare opportunity for national choice — to shop for something better.

In these times of selective American taste for new foreign entanglements, you might be surprised to find much interest either at home or abroad in an American Golan role. The emphasis in official U.S. peacekeeping policy now rests on U.S. intervention, operations that the United States could slip out of fairly quickly and easily if trouble arose. This would seem to be the precise opposite of the constancy that effective peacekeeping in the Mideast requires.

Still, there is an evident market for U.S. engagement. The Labor government of Israel has set aside some part of the nation's traditional favor for direct military self-reliance. It seems ready for the company of U.S. "monitors" on Golan, the better apparently to persuade the Israeli public to make the requisite territory-for-peace exchange. Syria is easier to figure. An American presence on Golan promises it a measure of additional protection against Israeli military threat and a filter of sorts against what is for it the hard requirement of broad contact with Israel.

Israelis and Syrians are entitled to their views. So are Americans. Some sensible thoughts come from the hard-line Center for Security Policy in Washington; its report is signed by Richard Perle, a former Reagan Pentagon aide, and other military and civilian forces. Debate the question now, the

report urges, before an administration commitment hardens beyond the means of the public and Congress to affect it. And note the difference from Sinai, where peacekeeping has been successfully uneventful for 15 years: Golan is small, close, strategic and populated, and Syria's leader now, unlike Egypt's then, hasn't put his heart into peace.

A key finding on a sensitive issue often muffled: "The presence of U.S. troops on the Golan would increase the likelihood of U.S. opposition to preemptive military action by Israel, no matter how urgent or well advised. The standard American tendency to disprove military action would be reinforced powerfully by solicitude for the U.S. peacekeepers. Hence, the effect of the U.S. deployment might be the opposite of that intended: It could reduce fear of Israeli preemption among potential Arab aggressors."

The conclusion: "There is no mission or rationale for a U.S. peacekeeping force on the Golan that would justify the resulting costs and risks. . . . A deployment would increase the danger of direct U.S. involvement in a future Middle East war and undermine Israel's standing with the U.S. public as a self-reliant ally."

You can look at the institute that delivered this report partly as a Washington outpost of Israel's Likud opposition. Its cautions seem to me no less well-taken for that political fact. Whether the rightful ample and growing American support for Mideast peace should take this further military form ought to be considered still an open question.

The Washington Post

California's Anti-Immigrant Assault Solves Nothing

By Jim Hoagland

WASHINGTON — Michael Huffington, meet François Mitterrand. The multimillionaire, self-styled conservative who is attempting to appropriate Dianne Feinstein's U.S. Senate seat would seem to have little in common with the Socialist president of France. But I am sure they would have a lot to say to each other about illegal immigration.

Mr. Huffington has been saying a good deal on the topic in California's bitterly contested Senate race. First he endorsed the state's draconian Proposition 187, which would deny nonemergency health care, schooling and other government aid to the Golden State's 1.7 million illegal immigrants. Illegal immigration, he said from the campaign stump, is "harmful and divisive."

That was just before he had to face up that he had employed an illegal alien as his children's nanny for four years, an admission that could cost him the election.

The silver-lining way of looking at it, Michael, is that you have just become a potent personal

symbol of a problem that plagues industrial societies everywhere.

That is where Mr. Mitterrand and France come in. The French president could tell you how his country's conservatives have done a Huffington on a much larger scale. They have employed cheap foreign labor when it was needed and then denied any larger responsibilities toward those workers and their families when their presence was no longer convenient.

In France, conservative governments in the 1960s and '70s were relaxed about the growing number of North Africans who poured in to take menial jobs French workers spurned. Now, with unemployment at record levels, the same French conservatives lead the campaign to cut or eliminate benefits and job opportunities for those same Arab immigrants — and blame the Socialists for not having acted while in power to deport these non-Frenchmen who are draining the national coffers.

Having your cake and eating it

too in this manner is not unknown elsewhere in Europe. But California is the state of the art when it comes to bringing them in and then bashing them for being there: Governor Pete Wilson sponsored the Seasonal Agricultural Worker program when he was a U.S. senator in the 1980s, ensuring his state's agribusiness a steady supply of foreign labor. Now polls show Mr. Wilson riding his support for Proposition 187 to probable victory over Kathleen Brown on Nov. 8. The immigration initiative is also expected to pass.

The Huffington case neatly traces the trajectory that foreign workers follow in nation after nation as economic circumstances change: A needed and appreciated labor unit is transformed into a dirty political secret as jobs and welfare benefits grow scarce. To avoid blame, the conservative politicians and businessmen who encouraged them to come start to portray illegal workers as predators and flail those who would try

to secure them better treatment.

Immigration — both legal and illegal — does of course pose serious problems across the globe. But why is America's attitude toward immigration changing so sharply? A thoughtful answer to that question comes from the leader of the Republicans in the House, Newt Gingrich: People who immigrated to America traditionally were seen as risk-takers, the Georgia Republican told me recently. They were gamblers who left behind old countries and old ways to plunge into the rough and tumble of capitalism. They may not have in fact improved their own lot, enduring exploitation and hard times, but they did build a better future for their children.

Statistics suggest that is still largely true, even though today's immigrants come from Mexico, Vietnam or Cuba instead of Ireland, Poland or Italy.

But anecdotal evidence and angry campaigns like California's reshape the American public's attitude toward immigration. Just as they have in France, Germany and elsewhere, electorates in America are now concluding that immigrants come to their countries to go on welfare and get free health care and education.

California does itself, and the rest of the nation, a disservice by focusing a lot of heat and self-serving electoral propaganda on an issue that needs much light and public education. Even in election time, politicians have a responsibility to do better than that.

The Washington Post

South Africa Needs Economic Rights

By Kader Asmal and Ronald Roberts

JOHANNESBURG — The first revolution in South Africa ended the legal disfranchisement of millions of people. The second must overcome the continuing reality of their economic disfranchisement. Long after its carcass has been laid to rest, apartheid could still throttle the country.

To ensure that this does not happen, South Africa's new Constitutional Court has an important role to play in protecting fundamental human rights. It was encouraging that in their White House press conference earlier this month, Bill Clinton and Nelson Mandela announced that restructuring South Africa's legal system would be one of their major areas of cooperation.

Mr. Mandela's government faces a daunting task in balancing the legitimate aspirations of the black majority against the demands of a powerful white minority. Decent food, water and a livelihood, equal access to a home and a place in school — these basic needs, no less than the right to vote, should now be a cause not only for eloquent handwringing but also constitutional litigation.

The equality clause of South Africa's interim constitution outlaws indirect discrimination. It may thus provide sufficient room for the Constitutional Court to review the racially skewed allotment of the country's basic resources. Under the system set up under apartheid, for example, opulent white suburbs are subsidized by taxes from all South Africans, while black townships are denied a share of benefits proportionate to the taxes imposed on them. Such harsh inequities will not suddenly evaporate, and the court, imaginatively exercising its powers of judicial review, could be a watchdog over a range of such issues. But formal equality — of the kind mandated

by the U.S. Supreme Court's decision in Brown vs. Board of Education in 1954 — will not be enough. That court's doctrinal meanderings over the years show that vital social and economic rights should not be left to the vagaries of legal interpretation. Thus South Africa's permanent constitution — which is to replace the interim document in five years, in time for the next national elections — must more explicitly entrench these basic rights.

Every significant fundamental rights document since the Universal Declaration of Human Rights, in 1948, speaks of the indivisibility of two sets of rights: civil and political on the one hand, economic and social on the other. Yet some legal theorists continue to treat economic and social rights as a second-class category. South Africa's constitution could become the most humane in the world by doing away with this kind of anomaly. Job security, a reliable and unpolluted supply of water, an environment cleaned up at the expense of those who profit from dirtying it — these are not just desirable goals, they are fundamental rights and should be constitutional ones.

The new court must deny that political freedom can exist surrounded by economic misery, and it must insist that the right to speech is muted without a right to education. As they draw up a permanent constitution over the next few years, South Africans of different races could well improve on older, flawed constitutions and create a more perfect union than the world has yet seen.

Kader Asmal, a constitutional lawyer, is South Africa's minister of water affairs and forestry. Ronald Roberts is working in Johannesburg for the New York Center for Economic and Social Rights. They contributed this to The New York Times.

IQ Worship: Gimmicky And Wrong

By Brent Staples

NEW YORK — Everyone knows the stereotype of the fair-haired executive who owes the office with the view and the six-figure salary to an accident of birth — like relatives in the halls of power. What about merit, for heaven's sake? Why not give IQ tests, grant the best jobs to those who score well and send the laggards to the nuthouse?

That would never happen, nor should it. IQ scores in themselves tell you almost nothing. This was clearly explained by Alfred Binet, the Frenchman who invented the first usable IQ test in 1905.

The test had one purpose: to help identify learning-disabled children Mr. Binet warned that a "brutal pessimism" would follow if his test was ever mistaken as a measure of a fixed intelligence.

You wouldn't know it from the IQ worship in progress today, but using the tests to draw finer distinctions than Mr. Binet intended amounts to overreaching, if not scientific fraud. Most scientists concede that they do not really know what "intelligence" is. Whatever it might be, paper and pencil tests are not the tenth of it.

The fair-haired executive gets a pass for other reasons entirely. First, because the world works more on insiderism and inherited privilege than on "pure merit," whatever that might be.

Second, because the charge of innate stupidity has historically been reserved for the poor. That charge surfaced during the immigrant influx to the United States early in the century, and again during the affirmative-action '60s and '70s — both times when America found "scientific" justifications of poverty appalling. Misgivings about the "underclass" have made them appealing again.

Mr. Binet's American imitators embraced "brutal pessimism" right away. In 1912, after Eastern and Southern Europeans began to outnumber Northern European at Ellis Island, immigration authorities asked the psychologist Henry Goddard to do "quality control," through testing. Mr. Goddard and his colleagues believed that Nordic peoples were civilization's best and that the rest were genetically second-rate.

Not surprisingly, Mr. Goddard's testing of what he called a representative sample of immigrants showed that 80 percent of all Jews, Italians and Hungarians and nearly 90 percent of Russians were "feeble-minded." As a result, hundreds each year were deported.

At the start of World War I, 2 million draftees were tested. The results showed a gap between blacks and whites, but at the time, few were interested. The passion was proving a connection between "mental deficiency" and national origin among white immigrants. British immigrants were classified as first-rate, with Poles, Italians and Russians labeled undesirable. The data were published by the National Academy of Sciences in 1921, and contributed to the introduction of temporary limits on immigration. IQ hysteria also resulted in sterilization laws enforced only against the poor.

The IQ believers worked with zeal. Like many before him, the British psychologist Sir Cyril Burt went way beyond science in defense of his beliefs. He alleged that intelligence was so wired into the genes, so indifferent to environment, that identical twins reared apart had virtually identical IQ scores. Statisticians now agree that Sir Cyril made much of it up.

The IQ worshippers of today remain essentially unchanged from Mr. Goddard's time. Despite the impression that there is something new in "The Bell Curve," its authors, Charles Murray and Richard Herrnstein, have merely reasserted the long-unproven claim that IQ is mainly inherited.

The language is calmer, the statistical gimmicks slicker, but the truth remains the same: There exist no plausible data to make the case. Belief to the contrary rests mainly on brutal preconceptions about poverty, but also on a basic confusion between pseudoscience and the real thing.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: A Royal Tragedy

SHANGHAI — Behind the death of the young Empress of China, Yeh-Ehlnala, is a tragedy, for the Empress committed suicide. The imperial consorts have never been on good terms, but a climax was reached when the Empress emphasized a sharp rebuke to the Empress by publicly slapping her on the face. In her despair the Empress took poison. It is said that the Empress was the hero of a love affair, and the victim of an unhappy marriage. The Empress dowager was said to be at the bottom of the trouble.

1919: Explosives Cache

LONDON — The Cork police authorities made an important discovery of explosive last night [Oct. 30] while searching a house in Thomas street for arms. They discovered gelignite enough to

blow up the entire locality. They also unearthed bombs in various stages of manufacture.

1944: The Vicar's 'Gift'

LONDON — [From our New York edition:] The Rev. H. C. Green, vicar of St. Nicholas Church, Ipswich, who donated a box of rat poison when he heard that a fellow Church of England clergyman was soliciting gifts for German prisoners of war, has been reported by his Bishop. The Rev. J. C. Chamberlain, vicar of Christ Church in Shooter's Hill, [had] issued a public appeal for such comforts as tobacco and books for six wounded Nazis he visited in hospital. He received from the Rev. Mr. Green rat poison with this note: "I herewith send a small comfort which I am sure will be good for them. I am sorry the tin is not full, but a small dose will do the trick."

International Herald Tribune
ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen

RICHARD McCLEAN, Publisher & Chief Executive
JOHN VINOCUR, Executive Editor & Vice President

• WALTER WELLS, News Editor • SAMUEL A. KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor
• ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor
• RENE BONDY, Deputy Publisher • JAMES McLEOD, Advertising Director
• MANTAL CASPARI, International Development Director • ROBERT FARRÉ, Circulation Director, Europe

110 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 46 37 93 11 Fax: (1) 46 37 06 51; Adv.: (1) 46 37 52 12; Internet: IHT@euronline

Editor for Asia: Michael R. Jordan, 3 Greenway Rd., Singapore 0511. Tel: (65) 432 7900 Fax: (65) 274 2354
Ming Pao, 401 N. Wacker Drive, Chicago, Ill. 60606-4011. Tel: (312) 422 1188 Fax: (312) 422 1190
Latin America: T. Schiller, Financiera, 15 00211 Frankfurt, Germany. Tel: (49) 69 72 67 55 Fax: (49) 69 72 73 10
Printed in: Michael Green, 830 Third Ave., New York, N.Y. 10022. Tel: (212) 752 8000 Fax: (212) 755 5000
U.K. Advertising Office: 65 Lombard Ave., London E.C.2. Tel: (44) 11 306 4892 Fax: (44) 11 240 2254
S.A. an equal opportunity employer. RCS Number: B 52021126. Commission Paritaire No. 61337
© 1994 International Herald Tribune. All rights reserved. ISSN 0241-9047

A new breed of engine. The same breed of Saab.

(Or proof that big can be beautiful, too.)

At Saab, we have a tradition of making powerful engines compact and efficient. That's why we've resisted the idea of simply increasing the size or amount of cylinders to add performance.

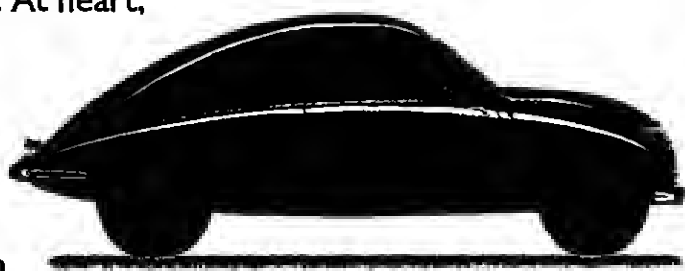
Consequently, the Saab view of the V6 engine has tended to be on the frosty side. But lately, there's been a perceptible thaw.

The reason is the development of a new kind of V6. The one you'll find in our new Saab 9000 CD saloon. This isn't an ordinary V6 engine. Any more than the 9000 CD is an ordinary car. It's the kind of car that's big in terms of space and performance and comfort but very modest in terms of weight and fuel consumption and engine emissions.

It's big. But it's not stupid. At heart, it's still a Saab.

INNOVATIONS.

Consequently, we've given the Saab 9000 CD 3.0 V6 a number of technical innovations you don't normally see on a V6. A new three-step variable intake manifold that delivers consistent power throughout the rpm range. A Motronic engine management system that constantly monitors engine emissions. And TCS



THE FIRST SAAB, 1947.

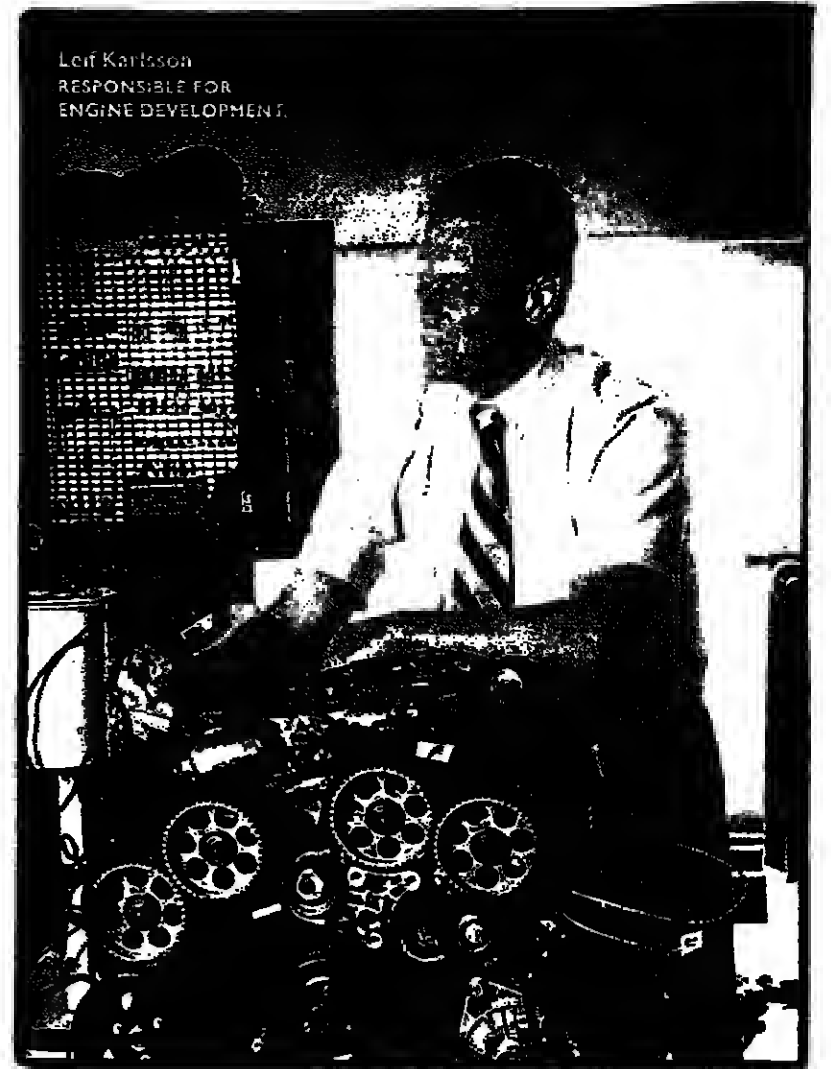
(Traction Control System), a feature that significantly reduces wheelspin. They're the sort of features that do something useful without drawing attention to themselves. Very Saab.

BIGGER ON THE INSIDE.

We tried to design the body on equally generous but practical lines. We made sure it gives you plenty of room for heads and legs and feet and bottoms and luggage (the Saab 9000 is one of the few European saloons classed as a large car in America). Yet it doesn't force you to take up unnecessary road space. It's one of those cars that seems a lot bigger inside than outside.

LOW KEY.

It's the same with the fittings. The 9000 CD is truly luxurious without banging on about it. You can have the wood, the custom designed audio, the highly sophisticated alarm system, the natural glove leather. It even has reading lights in useful places. Yet it's all low key, unobtrusive, functional. It's not trying to make an impression. It's trying to make you feel comfortable.



THE PERFECT PARTNER.

In spite of its size, the new 3.0 V6 engine is true to the basic Saab values. It's compact. It's efficient. It's environmentally friendly. Yet it gives you the superbly comfortable ride and smooth power surge of a true V6. It's the perfect partner to our turbo, supplying a different kind of motoring to a different kind of driver.

FOR PERSONAL REASONS.

We know that everyone has their own reasons for choosing a Saab.

So if you're a V6 driver looking for some interesting twists on a familiar idea, consider taking a test drive. It might be interesting to experience this new breed of engine for yourself.



FOR FURTHER INFORMATION, A TEST DRIVE OR DETAILS OF OUR INTERNATIONAL/DIPLOMAT SALES PROGRAMME CALL SAAB INFORMATION SERVICE ON +44-71 240 3033 OR FAX TO +44-71 240 6033.



Introducing the new Saab 9000 CD 3.0 V6.

4 Die in Another Baghdad Blast

BAGHDAD — A bomb in a baby food container killed three policemen and a church official outside a Catholic church in Baghdad on Sunday as policemen were trying to defuse the device, the Iraqi press agency INA said.

Three passers-by were wounded in the blast, which occurred during morning prayers and left nearby streets littered with glass and stained with blood.

It was the second bomb blast in the Iraqi capital this month. On Oct. 19, a bomb exploded in a prayer room at Iraq's Ministry of Religious Affairs, killing a senior official and seriously wounding five people.

In the incident on Sunday, a church deacon saw a suspicious object in a nylon bag inside the church, INA said. He quickly took it outside to the church gate and called the police.

But when the police arrived the bomb, inside a three-kilogram can of baby food, blew up and killed a bomb disposal expert, a police officer, his assistant and the deacon.

"We heard the explosion, then security men came and sealed off the church," a local resident said.

No one took responsibility for the blast. The Baghdad bomb blasts this month have come after heightened tension on the Iraq-Kuwait border as the result of a buildup of Iraqi forces near the emirate.

Allies Plan Air Maneuvers

More than 100 allied combat aircraft will stage maneuvers over Kuwait and southern Iraq on Tuesday to show Saddam Hussein that the U.S.-led coalition will protect Kuwait, The Associated Press reported Sunday, quoting the U.S. Embassy.

The exercises will include U.S. Air Force B-1 and B-52 bombers, flying from U.S. bases, dropping live bombs on a Kuwaiti desert range near the Iraqi border.

The statement termed the exercises as "concentrated flying activity" in airspace over Kuwait and in the "no-fly zone" of southern Iraq below the 32d parallel.

The air exclusion zone was imposed in August 1992 to help protect Shiite Muslim rebels from Mr. Saddam's forces. As far as is known, live ordnance will not be used over southern Iraq.

MIDEAST: Israel Easing Blockade

Continued from Page 1

cerned about the consequences of putting too much pressure on Mr. Arafat, yielded in Casablanca, announcing that the blockade would "gradually be lifted," starting on Tuesday.

But the situation seemed unlikely to return to normal anytime soon.

Last week, the Israeli government decided to deepen the separation between Israelis and Palestinians by importing 19,000 additional foreign workers for construction and farm jobs now filled by West Bank and Gaza Strip Arabs. So even if the present restrictions are dropped, far fewer Palestinians will eventually be allowed into Israel for work.

Although he has questioned the effectiveness of such closings as an anti-terror measure and not merely as a public-relations device to calm a nervous public, Mr. Rabin warned Sunday that he would take similar measures if Palestinian attacks on Israelis continue.

"We will feel free to take whatever step to insure the security of Israel's residents," he said, "even knowing that it will pose a hardship for the Palestinians and a hardship for the Palestinian Authority." The Authority, headed by Mr. Arafat, administers self-rule in Gaza and Jericho.

It was evident, though, that Israel worries about the slow pace of negotiations with the PLO. Mr. Arafat and Mr. Ra-

bin agreed to meet again next Nov. 7 to speed up their talks on Palestinian elections and on giving Palestinians responsibility throughout the West Bank for welfare, health, taxation and tourism.

To show they are not completely stalled, the two sides announced their agreement on stationing Palestinian officers at border crossings.

Their presence there is a triumph for Mr. Arafat because it gives him some trappings of sovereignty even though true authority remains with Israeli forces.

When they take their positions, probably on Monday at Rafah and Tuesday at the bridge, Palestinian officers will have jurisdiction mainly over Palestinians going to Gaza and Jericho.

End Boycott, U.S. Urges

Secretary of State Warren M. Christopher urged Arab countries to apply economic reforms and lift the boycott of Israel in a speech at the opening Sunday of an economic conference, Agence France-Presse reported from Casablanca.

"The last remnants of the boycott aimed against Israel must be eliminated," Mr. Christopher said.

He also urged Arab countries to undertake "serious economic reforms, end trade restrictions and lift the heavy hand of government regulation that stifles entrepreneurs."

ADAMS: Compromise Bid

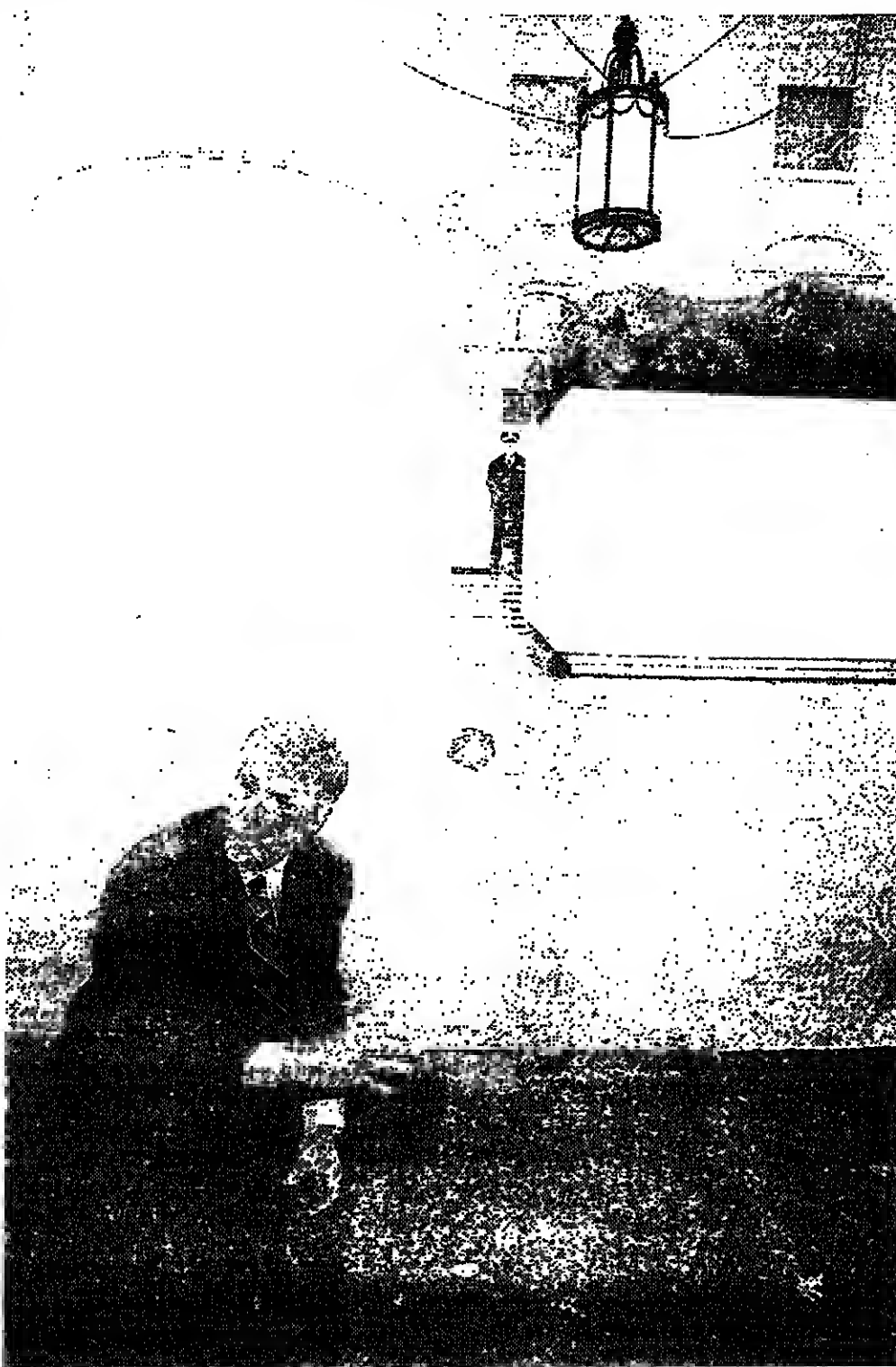
Continued from Page 1

the North with the 26 in the Republic has always been the IRA's chief article of faith. In recent years, Mr. Adams and other Sinn Fein officials have said they were flexible on the timing, admitting that a united Ireland could take 10 or 15 years to evolve. In an interview in early September, Mr. Adams said he expected to see a united Ireland "in my lifetime."

But neither he nor other Sinn Fein leaders have raised this possibility, emphasizing their flexibility, since Prime Minister John Major of Britain said Oct. 21 that Britain would probably begin exploratory talks with Sinn Fein before the end of the year. Sinn Fein wants to start the talks immediately, and one of its officials said Saturday that he expected them to begin within three weeks.

Mr. Adams's remarks seemed designed to reassure Protestant leaders who want the North to remain a British province, and to put pressure on the British government to begin formal talks with Sinn Fein. But he declined to say he would press the IRA to disarm before the talks with Britain start.

He said that the British security forces and Protestant paramilitary groups were heavily armed and that unilateral IRA disarmament could not be a precondition for negotiations.



A security official discussing the shooting Sunday in front of a pockmark left by a bullet.

EUROPE: EU Expansion Strains Paris-Bonn Axis

Continued from Page 1

attention toward security risks posed in the Mediterranean by Islamic radicalism, economic chaos and mass migration.

The European Commission has proposed an economic and security pact that would more than double European aid to North Africa by dispensing more than \$7 billion over the

next five years. The plan calls for the creation of the world's largest free-trade zone by 2010, linking as many as 40 countries and 800 million people.

The plan is scheduled for debate at a summit meeting of European leaders in Essen, Germany, in December. But the Germans have been lukewarm toward the pact, particularly because they would be asked to foot a large share of the bill at a time when they want to concentrate resources on the east.

German diplomats contend that the eastern states deserve priority because the continent needs a new security structure

to prevent any further east-west divisions. The eastern states also have cultural and historical affinities, along with more adaptable economics.

In contrast, senior French officials say that coping with Islamic radicalism should be considered the West's gravest security priority. They believe the German view offers troubling evidence that the special relationship between Paris and Bonn, which served for four decades as the motor in driving progress toward European unity, is changing inexorably under the pressure of competing national interests.

Weapon Used in Assault Has Been Banned by U.S.

NEW YORK — The Chinese rifle that Secret Service agents said was used to spray bullets at the White House has been illegal to import into the United States since May, federal officials said.

Statistics from the Bureau of Alcohol, Tobacco and Firearms show that the SKS semiautomatic rifle accounted for most of the 950,000 Chinese rifles imported into the United States in 1993. It was also the fourth most frequently traced gun by the bureau, which traces guns seized in criminal investigations.

While the standard model of the SKS is not classified as an assault weapon and was not one of the 19 weapons banned in the crime bill passed in August, its importation was banned by President Bill Clinton as a condition of the most-favored nation status granted China earlier this year.

If the weapon used on Saturday had been modified to contain more than 10 rounds, it would be outlawed by the crime bill.

Jack Killorin, a spokesman for the Bureau of Alcohol, Tobacco and Firearms, said that the rifle, as manufactured, resembles the American-made Garand M-1 rifle used in World War II and the Korean War. The rifle was originally manufactured for the Soviet armed forces during World War II and was adopted by the Chinese in 1956.

GUNMAN: Ex-Convict Charged

Continued from Page 1

among eight that appear to have struck the building's facade. Investigators said 20 to 30 rounds were fired in a matter of seconds.

The shooting came six weeks after a similarly startling assault on the president's home. On Sept. 12, a distraught Maryland truck driver stole a small plane and crashed it at the White House. The man died in the crash.

According to federal officials, one day later, Sept. 13, Mr. Clinton purchased the SKS rifle near his home in Colorado Springs, Colorado. That same day, in Washington, Mr. Clinton signed anti-crime legislation banning the sale of 19 types of assault weapons.

Mr. Duran, who worked as an upholsterer, was not talking to investigators Sunday and was being held in a city jail, the Secret Service said. He is to be arraigned Monday on federal charges of willfully damaging federal property and possessing a firearm as a convicted felon. If convicted of these charges, Mr. Duran would face a maximum of 10 years in prison on each charge.

According to the White House and news agency reports, Mr. Duran served in the army until he was given a dishonorable discharge after being convicted of aggravated assault with a vehicle and drunk and disorderly conduct in 1991.

He served a 2½-year prison term at a federal facility in Kansas. Accounts from Colorado said Mr. Duran's wife reported to local police on Oct. 1 that her husband was missing. The day before he had left home saying

he needed to buy supplies for target practice.

On Saturday, two strollers on Pennsylvania Avenue seized Mr. Duran as he paused, apparently to reload, and held him until White House security agents swarmed over the fence to make the arrest.

It is believed that the Secret Service did not respond instantly because they are trained to consider whether the gunfire is a diversion, because tourists and others on the sidewalk could have been injured if fire was returned and because there was little time to respond to a weapon that can empty a magazine in just a few seconds.

Mr. Clinton reportedly took the incident in stride when first told of the gunfire. Later, at a political dinner, he joked that after returning from the Middle East, where extremists threatened him, "It's nice to be home in the safety and security of the White House."

Mr. Clinton's aides said Sunday that a current review of Secret Service procedures would be expanded. The review was launched last month after the plane incident. A final report is due in January from the Treasury Department, which oversees the Secret Service.

According to Norman Ornstein, a political analyst with the American Enterprise Institute in Washington, the incident is not likely to have any broad impact on the public's opinion of Mr. Clinton.

"This is not the same thing as the awful assassination attempt on Ronald Reagan," Mr. Ornstein said on CNN.

However, the debate in congressional elections could be affected, he said.

INDIA: Middle Class Frustrated by Education System

Continued from Page 1

mandate, elimination of entrance tests for preschoolers, less stringent classroom schedules for toddlers and limits on the book loads youngsters should carry home each day.

"Putting pressure on such small children so early is not fair," Mr. Sinha said. "Parents do not realize that they are taking a high risk by putting so many demands on their children."

The middle-class hunger for better education also is fueling an explosion in the number of private schools in a country where many parents are frustrated with government-funded schools' overcrowded classrooms, absentee teachers and poor curriculums. In the last decade, the number of private schools in New Delhi has doubled to some 600 — about 40

percent of the total schools in the city, according to government officials.

But educators worry that while the middle class, which can afford private tuitions, buys better education for its children, most Indian youngsters are subjected to government schools that are underfunded and overburdened by burgeoning student populations. Today, India has the largest population of illiterates in the world, and nearly half of the country's children between ages 6 and 14 do not go to school at all, according to United Nations statistics.

But in the middle class, which includes anywhere from 150 million to 250 million of India's 900 million people, elite schooling is also taking on Western overtones as a measure of family social status. Many teachers and psychologists say parents

use their children's educational achievements as a way to further their own ambitions.

"For a society in transition, the school your child gets into is often a place for picking up the right contacts to gain entry into the right circles," said Avedesh Sharma, a New Delhi psychiatrist.

Child psychologists say their business has picked up as a result of the mental and physical stress placed on more children at younger ages.

"There is a notion that the child who starts earlier would be a winner later," Mr. Sharma said. "But in psychoanalysis, we see the consequences. Children become cranky, have stomach aches, school phobia, school refusal. The child is forced to do things that are against the maturation process, and they can't cope."

POPE: Cardinals Named

Continued from Page 1

ministries." Two of the new appointments are from the United States — William Henry Keeler, the archbishop of Baltimore, and Adam Joseph Maida, the archbishop of Detroit. Four are Italians.

Others seemed designed to send a particular political message. Two of them — Monsignor Paul Joseph Pham Dinh Tung from Hanoi and Monsignor Jaime Lucas Ortega y Alamini from Cuba — reflected the Pope's support for Christians living under Communist rule.

Several appointments were made in former Communist countries in Eastern Europe. The elevation of the relatively youthful Archbishop of Sarajevo, Monsignor Vinko Puljic, 49, to the rank of cardinal seemed designed to show the Pope's continued quest for a Balkan peace — and his support for Roman Catholics there — in the face of Serbian Orthodox opposition to his overtures.

The Pope was forced to cancel a planned trip to Sarajevo in September because Bosnian Serbs refused to guarantee his safety.

While the new appointments will further the process of internationalization of the church hierarchy begun by Pope Paul VI, the dominant presence among the cardinal electors will still be formed by 55 cardinals from Western and Eastern Europe.

In the Vatican's breakdown of the cardinal electors' background following the new appointments, 33 are from North and South America (two-thirds of them from Latin America), 15 from Africa, 14 from Asia and three from Oceania in the central and south Pacific.

The appointments, moreover, meant some countries — Albania, Bosnia, Belarus and Cuba under Fidel Castro — would have a cardinal to represent them for the first time.

The countries from which cardinals were appointed Sunday were: Lebanon, Czech Republic, Italy, Japan, Chile, Scotland, Mexico, Cuba, Indonesia, Belgium, France, Switzerland, Uganda, the United States, Canada, Peru, Spain, Bosnia, Madagascar, Vietnam, Ecuador, Belarus, Albania and Germany.

AMERICAN TOPICS

Cash Machines: Muggers' Targets

Scenario: You need money at 3 A.M. and drive to the automatic teller machine, 24-hour card in hand. Surprise. No cash available until 6 A.M.

Banks around the United States are curtailing cash machine hours, especially in cities, because of the risk of customers getting mugged at night.

A spree of 30 robberies at automated teller machines in Tampa, Florida, prompted Barnett Bank to close some ATMs as early as 7 P.M.

"If I really did need cash late at night, I'd keep driving till I found a machine," said Ray Henley, a Barnett customer. "If they closed all of them, that would be a drag."

Another solution has been to put ATMs in high-traffic areas like grocery stores, pharmacies, fast-food restaurants, gas stations and convenience stores. Many of these places are open 24 hours a day.

Short Takes

The district school board in Half Moon Bay, California, south of San Francisco, voted down a proposal by one of its members, Garrett Redmond, to abolish homework. Mr. Redmond argued that homework favors children who live near school and don't have to spend an hour on the school bus, and children whose families can afford a personal computer.

He must have struck some sort of a nerve in America and around the world," said the board president, Ken Jones, who arrived at work to find 75 messages about homework on his fax machine.

Under the school board's decision, the superintendent will meet teachers and parents for a top-to-bottom review of homework and how classes are organized.

Of the 28 managers in major league baseball, eight are former catchers. Nine were infielders, and seven were outfielders. Given that there are four infielders and three outfielders to one catcher on the field, "the ratio of catchers in managing jobs is remarkable," Murray Chass writes in The New York Times.

And no wonder. "The catcher is the manager's representative on the field," says Dan Duquette, an executive with the Boston Red Sox. "The catcher is involved with every pitch, every pitcher, and he's the only player on the field who has the whole field in front of him."

About People

Coretta Scott King says her husband's non-violent protests were inspired by another powerful, yet peaceful, leader — Mahatma Gandhi.

In accepting the Gandhi Universal Harmony Award at a dinner last week marking the 125th anniversary of Mr. Gandhi's birth, Mrs. King quoted writings from Martin Luther King Jr. that said he "had discovered the method for social reform that I had been seeking" in Mr. Gandhi's nonviolent resistance to British rule in India.

Q & A: APEC's Moves Toward Trade Liberalization

The eighteen members of APEC, the Asia Pacific Economic Cooperation forum, are to hold their annual meeting in Indonesia starting Nov. 8. Ali Alatas, the Indonesian foreign minister, discussed some of the major issues with Michael Richardson of the International Herald Tribune.

Q. Why are the meetings of APEC leaders and ministers in Indonesia important?

A. APEC is gathering momentum in its efforts to achieve its goals of continuing liberalization of trade and investment. This will ensure that the market-driven progress that has characterized economic development in the Asia-Pacific region will be further enhanced. We need to find practical ways of enmeshing the private business sector into APEC cooperation.

The meeting is also important because Indonesia, as the host, has suggested that apart from the routine

things we usually take up, we should focus on some new aspects of cooperation that are of vital interest to the developing economies. They include education, training, the transfer of skills and technology, ways of overcoming infrastructure bottlenecks, and how to increase the capabilities of small and medium enterprises. Such firms are the most important elements of any economy.

Q. Will the APEC leaders agree on a date for establishing free trade in the Asia-Pacific region?

A. A major topic for discussion will be how to move toward freer trade and more liberalized investments in the region, not toward a free trade area, but freer trade in the area. It may be feasible to determine certain end dates.

Q. Would any tariff cuts agreed by APEC be extended not just to members of the group but to all other countries? Or would they be offered on a reciprocal basis, at least to de-

veloped nations such as those in Europe?

A. These details should be subject to further thinking and discussion.

Q. Nonetheless, talk by APEC of reciprocity conjures up visions among some members of the European Union of a fortress Asia-Pacific. What is your response to those concerns?

A. I think the overwhelming view in APEC economies is that the operating principle of the group must remain open regionalism, and that we should not move toward anything that would even be a semblance of a closed shop or a closed trading bloc.

Q. The United Nations still does not recognize Indonesia's takeover of East Timor in 1976. Is Jakarta prepared to hold a referendum in East Timor under UN or international supervision to settle once and for all the self-determination question?

A. On that score, our position has been made very clear. We have said

there is no reason to hold a referendum in East Timor because in 1976 we implemented a plan that the Portuguese themselves were about to implement had they not abandoned the territory in a very irresponsible way. We determined the wishes of the East Timorese through their traditional chiefs. Remember that there was a high degree of illiteracy in the territory then and a modern referendum would not have been feasible. We invited the UN and Portugal. But they did not come.

Holding a referendum now would only result in again exacerbating feelings in East Timor. And why should we do it just because a small minority, the ex-Fretlim independence movement, wants it? Yet, they were the party in 1975 that did not want a proper and orderly self-determination process because they had the weapons from the Portuguese governor and his assistants in East Timor.

Q. Indonesia is a frequent target for international human rights

groups and sometimes foreign governments for alleged abuses of human rights in East Timor and elsewhere. How should such issues be handled?

A. A political campaign, very often using the banner of human rights, has been waged against Indonesia for many years. This is not to deny that we sometimes have human rights infringements. Which country does not? But we reject the allegation that it is a consistent pattern of violations perpetrated or condoned by the government. That is a malicious misrepresentation.

We continue to improve our performance in the field of human rights. We listen to the United States, Australia and other friendly governments when they have misgivings and concerns. We listen to them because that is the right way to do it... rather than shouting from the rooftops allegations which are not based on facts and will only make things worse by making people angry.

2 Former Presidents Staged a 'Military Rebellion,' Seoul Rules

By Andrew Pollack

New York Times Service

SEOUL — After a long investigation, the South Korean government has announced that two former presidents had engaged in a "premeditated military rebellion" in 1979 that eventually led to their assuming power.

But the government said over

the weekend that it would not prosecute the two men, Chun Doo Hwan and Roh Tae Woo, saying they had also made positive contributions to the country and that a trial would reopen old wounds and divide the nation.

The decision by the Seoul District Prosecutor's Office is an attempt to close the book on

a politically sensitive incident that might have delayed the introduction of democracy in South Korea by a decade.

But what is, in effect, a compromise decision to discredit Mr. Chun and Mr. Roh without punishing them might not satisfy those who say they suffered under the military rule imposed

by the two men, both former army generals.

The "Dec. 12 incident," as it is usually called, took place less than two months after the long-time dictator, Park Chung Hee, was assassinated by the head of South Korea's intelligence agency.

Mr. Chun, then a general, was in charge of investigating

the assassination. Assisted by Mr. Roh and other officers, he arrested the army chief of staff, Chung Seung Hwa, in a violent confrontation. Mr. Chun has long said that the arrest was necessary because there was evidence to link General Chung to the assassination.

But the prosecutor's office said Saturday that the arrest was a well-planned military design to prevent Mr. Chun from being demoted. The prosecutors stopped short of accusing Mr. Chun, Mr. Roh and 36 collaborators of treason, saying they did not topple the president or destroy the constitution.

After Mr. Park's assassination, South Korea experienced a political "spring" with hopes of democracy. But in May 1980, the army killed hundreds in suppressing an uprising in the southern city of Kwangju, and Mr. Chun installed himself as president in 1981. Mr. Roh was chosen to succeed him in 1987.

Under military rule, South Korea made a painful and sometimes violent transition to democracy. In December 1992, Kim Young Sam was elected the first president in decades without a military background. It was only after his election that the 1979 event, which Mr. Kim has called a "coup-like in-

cident" could even be investigated.

Still, analysts said it was not surprising that Mr. Kim's administration decided not to prosecute his two predecessors. To help win the election, Mr. Kim had joined up with the ruling party of Mr. Roh.

Koreans appear divided between those who favored putting the two former presidents on trial and those who want to put the past behind.

"I think it's a good settlement," Yang Sung Chul, a professor of political science at Kyunghee University in Seoul, said of Saturday's decision. "It's had for Korean political leadership to open up old wounds."

The investigation began in July 1993 after a complaint from General Chung, the former army chief of staff, who was stripped of his position and imprisoned after his arrest in 1979 and is now seeking to clear his name.

General Chung said that he would appeal the prosecutor's decision. "I cannot understand why the prosecution did not indict" the men "in spite of its decision that their act was tantamount to rebellion," he was quoted by The Korea Herald as saying. "They are felons who infringed upon the national constitution."



Two former presidents of South Korea, Chun Doo Hwan, left, and Roh Tae Woo, attending a recent funeral in Seoul.

BOOKS

ALL THE TROUBLE IN THE WORLD:

The Lighter Side of Overpopulation, Famine, Ecological Disaster, Ethnic Hatred, Plague, and Poverty
By P. J. O'Rourke. 340 pages. \$22. Atlantic Monthly Press.

Reviewed by Carolyn See

P. J. O'Rourke generates his humor by writing things that most of us only say—or think—in the privacy of our living rooms, bedrooms or on the phone to a wicked best friend. In this investigation of "the lighter side of overpopulation, famine, ecological disaster, ethnic hatred, plague, and poverty," he suggests, for instance, that the war in the former Yugoslavia is a matter of "the unspellables... shoot-

ing the unpronounceables." That provokes a snicker, if the reader is in a bad mood to start with.

Or, of the war in Somalia, O'Rourke opines that "there's one ugly thought that has occurred to almost everyone who's been to Somalia. I heard a Marine private in the Baidoa co-op go pnt it succinctly. He said, 'Somalis—give them better arms and training and seal the borders.' Who of us has not thought that (but not always said it) while watching those uncouth thousands of victims, covered with flies, dying horribly on TV? Then we go out to the refrigerator, crack open a brewski and grab a handful of Cheetos, to ward off famine in our house."

O'Rourke is very funny in an easygoing, mean-spirited way. He'll certainly never be getting the Large Heart Award, but it

doesn't seem to matter to him because Rolling Stone has paid his way to go all over the world to write these pieces; he's traveling more or less first-class and he's having fun.

It's all grist to the mill with this guy. He flies down to Iquitos and hangs out with Amazon Indians who must have been hired by the Iquitos Chamber of Commerce.

"The Yagua were wearing skirts that looked like piles of leaves... vegetable dirndls. They had streaked their faces

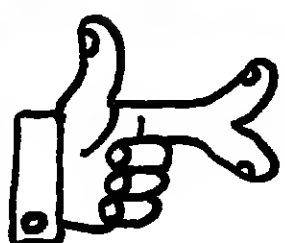
with Vietnam: "Everybody, from the first advisers like sent in 1955 to Henry Kissinger at the Paris peace talks, had a mad crush on Vietnam. It broke their hearts. They kept calling and sending flowers. They just couldn't believe this was goodbye." Yes, he's funny.

The author describes himself as "Republican," but that can be misleading. He's funny, unlike Bob Dole or Dan Quayle or that Huffington person. Also, he's intelligent, and he's done a lot of homework, so much so

WHAT THEY'RE READING

• Bill Roedy, president of MTV Europe, is reading "Wages of Guilt" by Ian Buruma.

"What the book does is compare the reactions of Japan and Germany to their roles in World War II. It is fascinating to examine how two different cultures and peoples react." (Erik Ipsen, IHT)



BRIDGE

By Alan Truscott

NORTH-SOUTH have bid to four hearts in the diagrammed deal. West leads the spade jack, and East overtakes with the queen and cashes the ace. He then shifts to the club jack, and South takes the ace.

If South can deal with the heart queen, he may make 11 tricks. If he cannot, he may fail by two tricks. A tricky, but legal, move that is sometimes appropriate is to lead the heart jack, hoping that West will react by producing the queen or thinking about playing that card. If he does not, the ace is played and a finesse is taken against East. That will work only against a naive opponent. In general, a defender with the trump queen should never play it in such circumstances, or even think of doing so.

Other things being equal, the right play of the heart combination is to start with the ace and then finesse. But they are not equal here. A reasonable technical play, which would fail, is to cash the ace and king of hearts and try to run diamonds. If the trumps split 3-2, South has the chance of dropping the

queen doubleton, or disposing of the club losers on dummy's diamonds.

Much better is to draw an inference from the bidding and play. The play to the first trick virtually guarantees that East began with A-K-Q of spades, and he has produced the club jack. If he also held the heart queen, he would very probably have opened the bidding. So South should play West for the queen by leading the jack and finessing.

NORTH
♠ A 8 4
♥ K Q J 6 2
♦ 8 7 4
♣ 5 7 4

WEST
♠ J 10 9 7
♥ Q 7 3 2
♦ 10 4
♣ K Q 5

EAST (D)
♠ A K Q 8
♥ 6
♦ 9 8 7 5
♣ J 10 9 5

SOUTH
♠ 5 4 2
♥ K J 10 8 5
♦ A 3
♣ A 3 2

Both sides are vulnerable. The bidding:

East South West North
Pass 1♥ Pass 2♦
Pass 2♥ Pass 3♦
Pass Pass Pass

West led the spade jack.

with Max Factor, donned fishbone and parrot-feather ocelluses, and stuck Indian-type things in their hair. . . . One old man had pulled out all the stops in the authentic-dress business. He had a grass skirt so elaborate he was lucky he hadn't been declared an endangered ecosystem from the waist down.

Of course, just around the corner, the Indians are living "in wood and tin houses like everybody else."

Ah! the folly of humanity! There's nothing better—or easier—to write about.

The author's journalist-humorist passport allows him to go back to his alma mater—a small college in Ohio—where "pink and well-fed" students earnestly debate the problems of multiculturalism.

He gets to drive from Hanoi to Ho Chi Minh City, eating well, drinking well, enjoying the ocean and the sunsets, and comes to the conclusion that Americans—out the grunts, just the statesmen—must have fallen head over heels in love

that even as he accuses Al Gore of being an incorrigible bore about ecology he comes perilously close to being a bore himself as he argues that there are no ecological problems to speak of. Every once in a while he'll drown in facts or quotes for a dozen pages or so. His mind is weird, off in the barren steppes, so far to the right that if the political world were round, he might find himself in unmarked tundra belonging to the left.

The book is fun and the guy is smart.

But let me speak up for poor sports: If you were shot in the gut by an "unspellable," wouldn't it still hurt? Do you (like Somalis) deserve to die if you have a bad personality? If so, there goes my stepfather.

This is a book guys can read without embarrassment on air-

planes—no sex, no violence, plenty of facts, cheap shots and quite good writing. Buy it for your dad.

Carolyn See reviews books regularly for The Washington Post.

Lust, greed, envy, hate, love, joy— everything in life is there. And that's just Charlie Brown.

If you're going to subscribe to an international newspaper, think what you're getting into. Endless worrying about fluctuations in the Bohemian Thaler? Or yet another article about Vita Sackville West? Or Virginia Woolf? If you prefer concise yet comprehensive reporting that gives you a broad, clear, uncomplicated view of the worlds of politics, business, art, science, sports and—yes—a little more fun, then the International Herald Tribune is your best bet. Our trial offer—giving you all this for as little as half the newsstand price—makes it a certain winner!

New Subscriber Offer

Mail or fax to: International Herald Tribune, 181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.
For full information: Fax (+33-1) 46 37 06 51

Country/Currency	12 months +2 months FREE	% SAVINGS for 1 year	3 months +2 weeks FREE
Austria A.Sch.	8,000	37	1,800
Belgium B.Fr.	14,000	36	4,200
Denmark D.Kr.	3,400	33	1,050
France F.F.	1,950	40	590
Germany D.M.	700	32	210
Great Britain £	210	32	65
Ireland £Ir.	230	37	68
Italy Lira	470,000	50	145,000
Luxembourg L.Fr.	14,000	36	4,200
Netherlands Fl.	770	40	230
Portugal Esc.	47,000	38	14,000
Spain Ptas.	48,000	34	14,500
hard deliv. Madrid Ptas.	55,000	24	14,500
Sweden (airmail) S.Kr.	3,100	34	900
hard delivery S.Kr.	3,500	28	1,000
Switzerland S.Fr.	810	44	185

Yes, I want to start receiving the International Herald Tribune every day. The subscription term I prefer is (check box):

☐ 12 months (+2 months free).

☐ 3 months (+2 weeks free).

☐ My check is enclosed (payable to the International Herald Tribune).

Please charge my: ☐ American Express ☐ Diners Club ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard

Credit card charges will be made in French Francs at current exchange rates.

Card No. _____ Signature _____

Exp. date _____

For business orders, please indicate your VAT number:

(IHT VAT number: FR 47320211261) 31-10-94

☐ Mr. ☐ Mrs. ☐ Ms.

Family name _____

First name _____

Mailing Address: ☐ Home ☐ Business

City/Coda _____ Country _____

Tel. _____ Fax _____

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

45

Canadian Dollars

Issuer	Cpn	Mat	Price	Yld	Snd 7/25	Issuer	Cpn	Mat	Price	Yld	Snd 7/25
CI North Jun	10%	10/1	104 1/2	8.58	+36	North Am Feb	8%	10/1	102 1/2	8.42	+15
CI North Feb	10%	2/1	104 1/2	8.58	+36	North Am Apr	8%	4/1	102 1/2	8.42	+15
CI Pn Gov Feb	8%	2/1	103 1/2	8.29	+37	North Jun	9	6/1	102 1/2	8.77	+28
Calb Nov	8 1/2%	11/1	103 1/2	8.58	+37	North May	9	5/1	102 1/2	8.77	+28
Calb Jun	8 1/2%	6/1	103 1/2	8.58	+37	North Mar	9	3/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Oct	9	10/1	102 1/2	8.77	+28
Daim Nov Oct	8 1/2%	10/1	103 1/2	8.58	+37	North Sep	9	9/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Aug	9	8/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Jul	9	7/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Jun	9	6/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North May	9	5/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Apr	9	4/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Mar	9	3/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Feb	9	2/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Jan	9	1/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Dec	9	12/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Nov	9	11/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Oct	9	10/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Sep	9	9/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Aug	9	8/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Jul	9	7/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Jun	9	6/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North May	9	5/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37	North Apr	9	4/1	102 1/2	8.77	+28
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37						
Daim Nov	8 1/2%	11/1	103 1/2	8.58	+37					</	

[illegible][illegible][illegible][illegible][illegible][illegible]

Consolidated trading for week ended Friday, Oct. 28

[illegible][illegible][illegible]

Algeria	1977	100	1000
Algeria	1978	100	1000
Algeria	1979	100	1000
Algeria	1980	100	1000
Algeria	1981	100	1000
Algeria	1982	100	1000
Algeria	1983	100	1000
Algeria	1984	100	1000
Algeria	1985	100	1000
Algeria	1986	100	1000
Algeria	1987	100	1000
Algeria	1988	100	1000
Algeria	1989	100	1000
Algeria	1990	100	1000
Algeria	1991	100	1000
Algeria	1992	100	1000
Algeria	1993	100	1000
Algeria	1994	100	1000
Algeria	1995	100	1000
Algeria	1996	100	1000
Algeria	1997	100	1000
Algeria	1998	100	1000
Algeria	1999	100	1000
Algeria	2000	100	1000
Algeria	2001	100	1000
Algeria	2002	100	1000
Algeria	2003	100	1000
Algeria	2004	100	1000
Algeria	2005	100	1000
Algeria	2006	100	1000
Algeria	2007	100	1000
Algeria	2008	100	1000
Algeria	2009	100	1000
Algeria	2010	100	1000
Algeria	2011	100	1000
Algeria	2012	100	1000
Algeria	2013	100	1000
Algeria	2014	100	1000
Algeria	2015	100	1000
Algeria	2016	100	1000
Algeria	2017	100	1000
Algeria	2018	100	1000
Algeria	2019	100	1000
Algeria	2020	100	1000
Algeria	2021	100	1000
Algeria	2022	100	1000
Algeria	2023	100	1000
Algeria	2024	100	1000
Algeria	2025	100	1000
Algeria	2026	100	1000
Algeria	2027	100	1000
Algeria	2028	100	1000
Algeria	2029	100	1000
Algeria	2030	100	1000
Algeria	2031	100	1000
Algeria	2032	100	1000
Algeria	2033	100	1000
Algeria	2034	100	1000
Algeria	2035	100	1000
Algeria	2036	100	1000
Algeria	2037	100	1000
Algeria	2038	100	1000
Algeria	2039	100	1000
Algeria	2040	100	1000
Algeria	2041	100	1000
Algeria	2042	100	1000
Algeria	2043	100	1000
Algeria	2044	100	1000
Algeria	2045	100	1000
Algeria	2046	100	1000
Algeria	2047	100	1000
Algeria	2048	100	1000
Algeria	2049	100	1000
Algeria	2050	100	1000
Algeria	2051	100	1000
Algeria	2052	100	1000
Algeria	2053	100	1000
Algeria	2054	100	1000
Algeria	2055	100	1000
Algeria	2056	100	1000
Algeria	2057	100	1000
Algeria	2058	100	1000
Algeria	2059	100	1000
Algeria	2060	100	1000
Algeria	2061	100	1000
Algeria	2062	100	1000
Algeria	2063	100	1000
Algeria	2064	100	1000
Algeria	2065	100	1000
Algeria	2066	100	1000
Algeria	2067	100	1000
Algeria	2068	100	1000
Algeria	2069	100	1000
Algeria	2070	100	1000
Algeria	2071	100	1000
Algeria	2072	100	1000
Algeria	2073	100	1000
Algeria	2074	100	1000
Algeria	2075	100	1000
Algeria	2076	100	1000
Algeria	2077	100	1000
Algeria	2078	100	1000
Algeria	2079	100	1000
Algeria	2080	100	1000
Algeria	2081	100	1000
Algeria	2082	100	1000
Algeria	2083	100	1000
Algeria	2084	100	1000
Algeria	2085	100	1000
Algeria	2086	100	1000
Algeria	2087	100	1000
Algeria	2088	100	1000
Algeria	2089	100	1000
Algeria	2090	100	1000
Algeria	2091	100	1000
Algeria	2092	100	1000
Algeria	2093	100	1000
Algeria	2094	100	1000
Algeria	2095	100	1000
Algeria	2096	100	1000
Algeria	2097	100	1000
Algeria	2098	100	1000
Algeria	2099	100	1000
Algeria	2100	100	1000
Algeria	2101	100	1000
Algeria	2102	100	1000
Algeria	2103	100	1000
Algeria	2104	100	1000
Algeria	2105	100	1000
Algeria	2106	100	1000
Algeria	2107	100	1000
Algeria	2108	100	1000
Algeria	2109	100	1000
Algeria	2110	100	1000
Algeria	2111	100	1000
Algeria	2112	100	1000
Algeria	2113	100	1000
Algeria	2114	100	1000
Algeria	2115	100	1000
Algeria	2116	100	1000
Algeria	2117	100	1000
Algeria	2118	100	1000
Algeria	2119	100	1000
Algeria	2120	100	1000
Algeria	2121	100	1000
Algeria	2122	100	1000
Algeria	2123	100	1000
Algeria	2124	100	1000
Algeria	2125	100	1000
Algeria	2126	100	1000
Algeria	2127	100	1000
Algeria	2128	100	1000
Algeria	2129	100	1000
Algeria	2130	100	1000
Algeria	2131	100	1000
Algeria	2132	100	1000
Algeria	2133	100	1000
Algeria	2134	100	1000
Algeria	2135	100	1000
Algeria	2136	100	1000
Algeria	2137	100	1000
Algeria	2138	100	1000
Algeria	2139	100	1000
Algeria	2140	100	1000
Algeria	2141	100	1000
Algeria	2142	100	1000
Algeria	2143	100	1000
Algeria	2144	100	1000
Algeria	2145	100	1000
Algeria	2146	100	1000
Algeria	2147	100	1000
Algeria	2148	100	1000
Algeria	2149	100	1000
Algeria	2150	100	1000
Algeria	2151	100	1000
Algeria	2152	100	1000
Algeria	2153	100	1000
Algeria	2154	100	1000
Algeria	2155	100	1000
Algeria	2156	100	1000
Algeria	2157	100	1000
Algeria	2158	100	1000
Algeria	2159	100	1000
Algeria	2160	100	1000
Algeria	2161	100	1000
Algeria	2162	100	1000
Algeria	2163	100	1000
Algeria	2164	100	1000
Algeria	2165	100	1000
Algeria	2166	100	1000
Algeria	2167	100	1000
Algeria	2168	100	1000
Algeria	2169	100	1000
Algeria	2170	100	1000
Algeria	2171	100	1000
Algeria	2172	100	1000
Algeria	2173	100	1000
Algeria	2174	100	1000
Algeria	2175	100	1000
Algeria	2176	100	1000
Algeria	2177	100	1000
Algeria	2178	100	1000
Algeria	2179	100	1000
Algeria	2180	100	1000
Algeria	2181	100	1000
Algeria	2182	100	1000
Algeria	2183	100	1000
Algeria	2184	100	1000
Algeria	2185	100	1000
Algeria	2186	100	1000
Algeria	2187	100	1000
Algeria	2188	100	1000
Algeria	2189	100	1000
Algeria	2190	100	1000
Algeria	2191	100	1000
Algeria	2192	100	1000
Algeria	2193	100	1000
Algeria	2194	100	1000
Algeria	2195	100	1000
Algeria	2196	100	1000
Algeria	2197	100	1000
Algeria	2198	100	1000
Algeria	2199	100	1000
Algeria	2200	100	1000
Algeria	2201	100	1000
Algeria	2202	100	1000
Algeria	2203	100	1000
Algeria	2204	100	1000
Algeria	2205	100	1000
Algeria	2206	100	1000
Algeria	2207	100	1000
Algeria	2208	100	1000
Algeria	2209	100	1000
Algeria	2210	100	1000
Algeria	2211	100	1000
Algeria	2212	100	1000
Algeria	2213	100	1000
Algeria	2214	100	1000
Algeria	2215	100	1000
Algeria	2216	100	1000
Algeria	2217	100	1000
Algeria	2218	100	1000
Algeria	2219	100	1000
Algeria	2220	100	1000
Algeria	2221	100	1000
Algeria	2222	100	1000
Algeria	2223	100	1000
Algeria	2224	100	1000
Algeria	2225	100	1000
Algeria	2226	100	1000
Algeria	2227	100	1000
Algeria	2228	100	1000
Algeria	2229	100	1000
Algeria	2230	100	1000
Algeria	2231	100	1000
Algeria	2232	100	1000
Algeria	2233	100	1000
Algeria	2234	100	1000
Algeria	2235	100	1000
Algeria	2236	100	1000
Algeria	2237	100	1000
Algeria	2238	100	1000
Algeria	2239	100	1000
Algeria	2240	100	1000
Algeria	2241	100	1000
Algeria	2242	100	1000
Algeria	2243	100	1000
Algeria	2244	100	1000
Algeria	2245	100	1000
Algeria	2246	100	1000
Algeria	2247	100	1000
Algeria	2248	100	1000
Algeria	2249	100	1000
Algeria	2250	100	1000
Algeria	2251	100	1000
Algeria	2252	100	1000
Algeria	2253	100	1000
Algeria	2254	100	1000
Algeria	2255	100	1000
Algeria	2256	100	1000
Algeria	2257	100	1000
Algeria	2258	100	1000
Algeria	2259	100	1000
Algeria	2260	100	1000
Algeria	2261	100	1000
Algeria	2262	100	1000
Algeria	2263	100	1000
Algeria	2264	100	1000
Algeria	2265	100	1000
Algeria	2266	100	1000
Algeria	2267	100	1000
Algeria	2268	100	1000
Algeria	2269	100	1000
Algeria	2270	100	1000
Algeria	2271	100	1000
Algeria	2272	100	1000
Algeria	2273	100	1000
Algeria	2274	100	1000
Algeria	2275	100	1000
Algeria	2276	100	1000
Algeria	2277	100	1000
Algeria	2278	100	1000
Algeria	2279	100	1000
Algeria	2280	100	1000
Algeria	2281	100	1000
Algeria	2282	100	1000
Algeria	2283	100	1000
Algeria	2284	100	1000
Algeria	2285	100	1000
Algeria	2286	100	1000
Algeria	2287	100	1000
Algeria	2288	100	1000
Algeria	2289	100	1000
Algeria	2290	100	1000
Algeria	2291	100	1000
Algeria	2292	100	1000
Algeria	2293	100	1000
Algeria	2294	100	1000
Algeria	2295	100	1000
Algeria	2296	100	1000
Algeria	2297	100	1000
Algeria	2298	100	1000
Algeria	2299	100	1000
Algeria	2300	100	1000
Algeria	2301	100	1000
Algeria	2302	100	100

8%	8%
7%	7%
6%	6%
5%	5%
4%	4%
3%	3%
2%	2%
1%	1%
0%	0%
-1%	-1%
-2%	-2%
-3%	-3%
-4%	-4%
-5%	-5%
-6%	-6%
-7%	-7%
-8%	-8%
-9%	-9%
-10%	-10%
-11%	-11%
-12%	-12%
-13%	-13%
-14%	-14%
-15%	-15%
-16%	-16%
-17%	-17%
-18%	-18%
-19%	-19%
-20%	-20%
-21%	-21%
-22%	-22%
-23%	-23%
-24%	-24%
-25%	-25%
-26%	-26%
-27%	-27%
-28%	-28%
-29%	-29%
-30%	-30%
-31%	-31%
-32%	-32%
-33%	-33%
-34%	-34%
-35%	-35%
-36%	-36%
-37%	-37%
-38%	-38%
-39%	-39%
-40%	-40%
-41%	-41%
-42%	-42%
-43%	-43%
-44%	-44%
-45%	-45%
-46%	-46%
-47%	-47%
-48%	-48%
-49%	-49%
-50%	-50%
-51%	-51%
-52%	-52%
-53%	-53%
-54%	-54%
-55%	-55%
-56%	-56%
-57%	-57%
-58%	-58%
-59%	-59%
-60%	-60%
-61%	-61%
-62%	-62%
-63%	-63%
-64%	-64%
-65%	-65%
-66%	-66%
-67%	-67%
-68%	-68%
-69%	-69%
-70%	-70%
-71%	-71%
-72%	-72%
-73%	-73%
-74%	-74%
-75%	-75%
-76%	-76%
-77%	-77%
-78%	-78%
-79%	-79%
-80%	-80%
-81%	-81%
-82%	-82%
-83%	-83%
-84%	-84%
-85%	-85%
-86%	-86%
-87%	-87%
-88%	-88%
-89%	-89%
-90%	-90%
-91%	-91%
-92%	-92%
-93%	-93%
-94%	-94%
-95%	-95%
-96%	-96%
-97%	-97%
-98%	-98%
-99%	-99%
-100%	-100%

[illegible]

Rank	Name	Age	Height	Weight	Time	Points	Notes
1	Jack	20	5'10"	175	1:15.0	100	1st
2	Bill	21	5'8"	160	1:16.5	95	2nd
3	Tom	19	5'6"	150	1:18.0	90	3rd
4	John	22	5'9"	165	1:19.5	85	4th
5	Mike	20	5'7"	155	1:21.0	80	5th
6	Steve	21	5'8"	160	1:22.5	75	6th
7	Paul	19	5'6"	150	1:24.0	70	7th
8	Robert	22	5'9"	165	1:25.5	65	8th
9	David	20	5'7"	155	1:27.0	60	9th
10	James	21	5'8"	160	1:28.5	55	10th
11	Richard	19	5'6"	150	1:30.0	50	11th
12	William	22	5'9"	165	1:31.5	45	12th
13	Thomas	20	5'7"	155	1:33.0	40	13th
14	Charles	21	5'8"	160	1:34.5	35	14th
15	Joseph	19	5'6"	150	1:36.0	30	15th
16	Anthony	22	5'9"	165	1:37.5	25	16th
17	Christopher	20	5'7"	155	1:39.0	20	17th
18	Matthew	21	5'8"	160	1:40.5	15	18th
19	Andrew	19	5'6"	150	1:42.0	10	19th
20	Robert	22	5'9"	165	1:43.5	5	20th
21	David	20	5'7"	155	1:45.0	0	21st
22	James	21	5'8"	160	1:46.5	0	22nd
23	Richard	19	5'6"	150	1:48.0	0	23rd
24	William	22	5'9"	165	1:49.5	0	24th
25	Thomas	20	5'7"	155	1:51.0	0	25th
26	Charles	21	5'8"	160	1:52.5	0	26th
27	Joseph	19	5'6"	150	1:54.0	0	27th
28	Anthony	22	5'9"	165	1:55.5	0	28th
29	Christopher	20	5'7"	155	1:57.0	0	29th
30	Matthew	21	5'8"	160	1:58.5	0	30th
31	Andrew	19	5'6"	150	2:00.0	0	31st
32	Robert	22	5'9"	165	2:01.5	0	32nd
33	David	20	5'7"	155	2:03.0	0	33rd
34	James	21	5'8"	160	2:04.5	0	34th
35	Richard	19	5'6"	150	2:06.0	0	35th
36	William	22	5'9"	165	2:07.5	0	36th
37	Thomas	20	5'7"	155	2:09.0	0	37th
38	Charles	21	5'8"	160	2:10.5	0	38th
39	Joseph	19	5'6"	150	2:12.0	0	39th
40	Anthony	22	5'9"	165	2:13.5	0	40th
41	Christopher	20	5'7"	155	2:15.0	0	41st
42	Matthew	21	5'8"	160	2:16.5	0	42nd
43	Andrew	19	5'6"	150	2:18.0	0	43rd
44	Robert	22	5'9"	165	2:19.5	0	44th
45	David	20	5'7"	155	2:21.0	0	45th
46	James	21	5'8"	160	2:22.5	0	46th
47	Richard	19	5'6"	150	2:24.0	0	47th
48	William	22	5'9"	165	2:25.5	0	48th
49	Thomas	20	5'7"	155	2:27.0	0	49th
50	Charles	21	5'8"	160	2:28.5	0	50th

[illegible]

Continued on Page 12

CURRENCY

THE TRIBUNE

CAPITAL MARKETS

A European Bond Rally Won't Bring in the Bulls

By Carl Gewirtz

International Herald Tribune

PARIS — In a fitting end to an extraordinarily gloomy year, technical analysts, particularly the technicians who are guided by patterns traced on graph paper, are talking about a "renewed rally in prices and a decline in yields. But it will only be temporary. The rally will be followed by a renewed relapse,

most agree. Technical analysts were impressed by the sell-off, followed by a price recovery in major bond markets last week. That bounce shows that "prices are forming a base" for a rally that could last a number of months, said Kalpana Patel at Swiss Bank Corp. in London. She thinks 10-year German government bonds, which ended the week at 7.59 percent, could retrace back to 6.75 percent. But then she sees a renewed decline in prices that could push yields out to just over 8 percent later next year.

Robert Thomas at NatWest Markets in London agreed, saying there was now "a better tone in European bond markets," but he was doubtful about how far it could go. "We're in a trading range, and right now we're close to the top in yields" so it would not be surprising to now move in the opposite direction.

But the expected improvement cannot be labeled a bull market, Mr. Thomas said. "We're in the wrong stage of the business cycle in Europe for this to be called a bull market. Rather, we're likely to experience a correction in a bear market that might carry yields on 10-year German bonds to around 7 percent."

Bob Tyley at Banque Paribas said: "There is good value in European bonds" with real yields — or what's left after subtracting for expected inflation — ranging from 4.7 percent in Germany to 8.4 percent in Italy. This compares with an estimated real yield of only 4.6 percent in the U.S. market.

"But I see nothing to change the view that markets are in a neutral to negative trend," Mr. Tyley said. If European bond markets so far have been unable to respond to favorable fundamentals, "I see no reason for a rally now than at any other point this year," he said.

But optimists have their sights set on early December. "That's when allocations of new risk capital are made to the proprietary trading desks of banks," one analyst said. "These guys have run out of money, they lost it all this year."

The new year allocations will put these operators who trade on behalf of their banks back in business.

Noting that liquidity in most bond markets has contracted markedly, the analyst said: "A renewed flow of funds back into the market and bingo — it could be just the catalyst needed to get prices rising."

A rally will be followed by a renewed relapse.

Bears Keep Doubting The Dollar, Rally or Not

By Carl Gewirtz

International Herald Tribune

PARIS — "Don't quote me," the analyst pleaded, "but I haven't got a hell of an idea why markets are rallying."

He wasn't the only analyst left agape by the rise in bonds, stocks and the dollar after the U.S. gross domestic product report estimated third-quarter growth at a 3.4 percent annual rate.

The figure was lower than the 4.1 percent recorded in the previous quarter but still well ahead of the 2.5 percent rate that is considered to be sustainable without rekindling inflation.

The surprise in the latest data was the modest level of inflation, which slowed to 1.6 percent by one measure and was unchanged at 3.2 percent by a wider measure.

But analysts agreed that the price report did not alter the need for the Federal Reserve Board to dampen growth by raising interest rates.

In fact, J.P. Morgan last week raised its forecast on how high rates need to go — to 7.5 percent on overnight money, which is currently pegged by the Fed at 4.75 percent.

Analysts at the New York bank, who predict that growth in the current quarter will accelerate to an annual rate of 4.5 percent, had previously expected the short-term rate increases to top out next year at 7 percent.

The cash market also was unmoved by Friday's third-quarter data. Three-month Eurodollar interest rates ended the week offered at 5 11/16 percent, up 1/16 from the previous week. Allowing for a normal quarter-point difference between overnight and three-month rates, the cash market is saying that in three months, interest rates will be 11/16 percentage point higher than they are now.

Groping for explanations, analysts said that the U.S. bond market was driven higher by short-covering. Speculators who had earlier sold bonds on the expectation that prices would drop, which they did during the week, took profits Friday and closed positions by repurchasing the paper they had sold. This pushed up bond prices, equities and the dollar.

Early last week, the dollar traded at a two-year low of 1.4845 Deutsche marks, and it ended trading in what analysts said was a very thin market at 1.51 DM in New York. After touching a record low of 96.35 yen, the dollar ended at 97.28 yen.

"The dollar remains in a bearish mode," said Paul Chernow, London-based analyst at Union Bank of Switzerland. For the mood to change, he added, the dollar needs to move above 1.5310 DM. Traders see

See DOLLAR, Page 11

U.S. Phone Bids Are In Telecoms Reveal Alliances for Licenses

By Mike Mills

Washington Post Service

WASHINGTON — The largest U.S. communications companies have formally disclosed the alliances they have formed to bid for the right to offer wireless personal communications services, or PCS.

Almost every big name has said it will try for at least a piece of the action, and so have a number of smaller ones.

AT&T-McCaw promises to be the 800-pound gorilla, having the financial strength to locate wherever it wants. When AT&T Corp. purchased McCaw Cellular Communications Inc. for \$11.5 billion this summer, it bought McCaw's cellular systems in more than 100 U.S. cities.

That means AT&T-McCaw likely will focus its bids for the new technology on the top markets it does not serve, including Washington-Baltimore, Chicago, Boston and Atlanta.

While a handful of the joint ventures said they hoped to create nationwide wireless phone companies, three of the regional Bell operating companies unveiled more conservative expansion plans.

Bell Atlantic Corp., Nynex Corp. and US West Inc., along with Airtouch Communications Inc., combined forces, agreeing to jointly bid for and market their wireless services. Those companies will focus on the Midwest and Southeast, as well as Texas.

On Dec. 5 the Federal Communications Commission will hold the first auctions of licenses for the new breed of lightweight, more-powerful pocket phones that some day may provide an alternative to today's wired phone systems. A total of 99 licenses in 47 regional markets will be sold, with hundreds of smaller-market licenses to follow next year.

The winners will be able to use the new technology to compete against the two cellular-telephone providers already doing business in each market. Those cellular incumbents

will also be able to use the PCS technology. When larger and smaller licenses are granted, there could be as many as eight competitors in each market.

PCS differs from cellular technology by using smaller antenna "cells" that allow for more powerful and compact pocket phones. It also uses digital technology that provides a clearer signal and higher security.

The auctions, ordered by Congress, are expected to bring billions to the Treasury. MCI Communications Corp. confirmed it would not bid outright for PCS licenses, but instead would form minority-share alliances with other bidders.

Companies had until late Friday to disclose their partners and the markets in which they intended to bid. After applicants told the FCC what markets they were seeking, they were forbidden from discussing the auctions with other bidders in those markets.

Other potential bidders that disclosed their intentions included:

• Bell South, which said it would limit its bidding to two market areas within its current service region, in the Carolinas and Eastern Tennessee. The Bell company formed a bidding group that includes The Washington Post Co., American Personal Communications (which is 70 percent owned by the Post Co.), a subsidiary of the utility Duke Power and 35 other small telecommunications companies. The Washington Post's stake and American Personal Communications' separate involvement amount to less than 10 percent each, according to company officials.

• SBC Communications Inc. (formerly Southwestern Bell) and GTE Corp. said they would join to market PCS service in Texas.

• Ameritech, the Bell company serving the Midwest, will bid for licenses in Indianapolis and Cleveland.

• Pacific Telesis Group, the Bell company of California and Nevada, will focus on the license for the market that contains Southern California.

Airlines Head for Profit After 4 Years of Losses

Compiled by Our Staff From Dispatches

MEXICO CITY — World

airlines are emerging from four years of big losses. But profits are still low and must improve if the industry is to stay alive and not become dependent on subsidies, the International Air Transport Association said.

In its annual report on the state of the industry, released in Mexico City on Saturday, the International Air Transport Association said airlines were cutting the overcapacity that has crippled them in recent years. They also appear to have moved back into profit as passenger and freight traffic grows.

"If the airlines do show a net profit in 1994 — a modest figure of \$1 billion is not impossible — it will be the first since 1989," said IATA's director general, Pierre Jeannot.

Mr. Jeannot said that IATA's 222 member airlines lost a total of \$15.6 billion between 1990 and the end of last year and that this year's profits would give the industry "a breathing space as the painful process of restructuring continues."

He said even \$1 billion profits would represent less than 1 percent of revenue, while a steady 5 percent or 6 percent is needed, and he warned that the future depended on greater returns.

But industry leaders said the recovery was under way.

IATA said air passengers numbers would grow an average 6.6 percent for the years from 1994 to 1998 and would probably double over the next 10 years. Freight traffic is expected to grow an average 9 percent in the next four years.

IATA officials said the industry's so-called load factor had also moderately improved, with airlines filling more seats. Last year, when IATA's members lost \$4.1 billion, more than 35 percent of seats were flown empty.

■ New Airline To Take Off

Edward Beauvais, the former chairman and co-founder of America West Airlines, will unveil plans on Tuesday for his new low-cost carrier, Western Pacific Airlines. Bloomberg Business News reported from Colorado Springs, Colorado.

China's Economic Catch-22

By Steven Mufson

Washington Post Service

BEIJING — Trouble is brewing within Asia's economic miracle.

A senior Chinese official involved in the reform of state industry said last week that a fifth of people employed at state enterprises are not needed. His estimate means that more than 25 million people could lose their jobs if Beijing cracks down on money-losing enterprises.

And another official predicted that China's inflation would peak at around 20 percent this year, roughly twice the government's target level.

The solution to these two grave problems — galloping inflation and surplus labor — are at odds. To stop inflation requires cooling down the overheated economy. But that's precisely what government officials who are worried about widespread unemployment want to avoid.

The government is torn between the aims of reducing inflation and limiting unemployment in both urban industrial and rural agricultural sectors, said Huan Guocang, senior economist with J.P. Morgan & Co. in Hong Kong. "To halt out state-owned firms, credit restrictions are regularly eased, only to be reimposed again when concerns about inflation regain the upper hand."

The challenge is especially delicate as China's senior leader, Deng Xiaoping, 90, fades from the scene. His designated successors are worried about maintaining stability once he dies. But which course of action is worse? On the one hand they fear unemployment could create an unstable army of jobless people. On the other hand,

sustaining money-losing state industries by pumping money into them feeds inflation.

Some policy-makers favor letting the state enterprises go bankrupt. That would put the economy on a sounder, market-based footing, and would slow the economic growth rate, which hit 12.4 percent during the first half of this year.

The government has stated that it will force 100 state-owned enterprises in 18 cities into bankruptcy next year. But the State Council has given approval "in principle" to only one of the 10 bankruptcy regulations needed to do so.

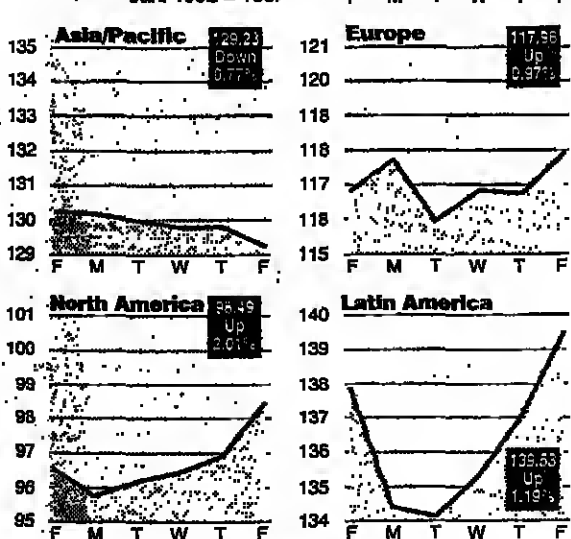
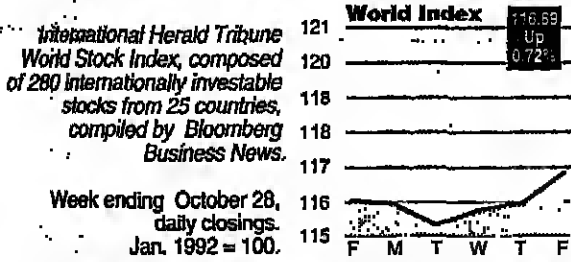
Zhu Rongji, vice prime minister in charge of the economy is a leading voice in favor of moderating growth. At a meeting of the International Monetary Fund and World Bank in Spain early this month, he said that China hopes to lower its growth rate to under 10 percent.

Mr. Zhu's efforts have largely failed this year. As a result, many officials have talked about rolling back market reforms to stop inflation. They have slapped price controls on certain commodities, like cotton and grain, and threatened people who make "excessive profits."

But that isn't likely to help. Too much of China's economy has been turned over to the free market for the government to regain control easily. Beijing has also lost much of its ability to impose its will on provincial and local governments that are busy making money.

Much of the inflation is driven by increases in the prices of housing and food, particularly pork and grain. The introduction of a value-added tax has boosted the year-to-year inflation rates.

THE TRIB INDEX



Industrial Sectors/Weekend close	10/29/94	10/28/94	% change
Energy	118.87	115.70	+2.74
Utilities	126.97	126.47	+0.39
Finance	116.13	117.18	-0.90
Services	118.42	120.86	-1.19
Capital Goods	118.79	119.12	-0.28
Raw Materials	138.97	137.57	+1.02
Consumer Goods	105.43	106.28	-0.80
Miscellaneous	125.48	125.15	+0.26

The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Malaysia, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 50 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

CURRENCY RATES

Cross Rates	Oct. 28
Australia	1.3454
Canada	1.3454
France	1.3454
Germany	1.3454
Italy	1.3454
Japan	1.3454
Netherlands	1.3454
New Zealand	1.3454
Spain	1.3454
Sweden	1.3454
Switzerland	1.3454
Taiwan	1.3454
UK	1.3454
US	1.3454
Venezuela	1.3454

Source: IHS Bank (Amsterdam), Industrial Bank (Brussels), Banca Commerciale Italiana (Milan), Societe Generale (Paris), Bank of Tokyo (Tokyo), Royal Bank of Canada (Toronto), etc. (S.D.R.). Other data from Reuters and AP.

Nostalgia Value and Price Keep the Trabant on Track

By Brandon Mitchener

International Herald Tribune

DAUERNEIM, Germany — When Germans crack jokes about the sputtering, toy-like cars named Trabants that were once the pride of East Germany, Rainer Schwitzgöbel and his son Frank usually have the last laugh.

Before the Wall fell in 1989, the elder Mr. Schwitzgöbel enjoyed exclusive West German rights to sell the Trabant's bigger cousin, the Wartburg, as well as the Barkas, a minivan, and the spare parts that kept them running. After the Wall fell, he started selling Trabants, too.

Unification sent demand for East German car parts to new records as East Germans exercised their right to travel to the West. "My entire stock was gone within three weeks," the elder Mr. Schwitzgöbel said.

Five years later, while most East Germans have ditched their Trabants for Volkswagens, Porsches and Audis, business at the Schwitzgöbels' Little East-West Store 60 kilometers (37 miles) northwest of Frankfurt continues to boom as West Germans snap up Trabants for their novelty value, cheap price at \$50 Deutsche marks to 2,000 Deutsche marks (\$568 to \$1,335) and ease of repair.

"The Trabant is the only individual car that you can find these days," the elder Mr. Schwitzgöbel said. "There's something about it."

The younger Mr. Schwitzgöbel, who recently assumed responsibility for the family business, faces increasing competition from other vendors, which have sprung up in Eastern and Western Germany, but still manages to sell five to six cars a month, while accessories sales are booming.

In the third quarter this year, business was up 35 percent from the same period last year, the younger Mr. Schwitzgöbel said.

Although he has started using a computer to keep track of orders, he said he may need to hire an assistant to keep up with rising demand.

Most of his overall sales of more than 250,000 DM a year come from the sale of spare parts.

But besides selling the plastic parts that made the first Trabant famous, the Schwitzgöbels have carved themselves a niche by selling sports automotive accessories.

How about a molded mahogany gearshift to put your two-stroke Trabi in motion? The Schwitzgöbels sell it, along with sporty Italian steering wheels covered in brightly colored leather, aluminum hubcaps in a variety of snazzy designs and front and rear spoilers in shiny black plastic. "We're the only one selling the sporty spoilers," Frank Schwitzgöbel said. "I had them made myself."

They have even custom-made Trabant convertibles, pickup trucks and a cement truck. "We have fun with the business," the elder Mr. Schwitzgöbel said.

What's more significant, every car they ever tinkered with has passed the rigorous emissions inspection at the local motor vehicle office, according to the elder Mr. Schwitzgöbel.

A lot of new business involves upgrading older-model Trabants with catalytic converters, new shock absorbers and four-cylinder Volkswagen motors.

In addition to selling locally, the Schwitzgöbels export Trabants and Wartburgs — and parts — as far away as New Zealand and Argentina.

The elder Mr. Schwitzgöbel, who has been driving a yellow 1984 Trabant for more than 10 years, recently collaborated on a calendar featuring Trabants, Wartburgs and motorcycles made by MZ, a Saxony company that, unlike the automakers, has resumed production under new management.

For the future, the Schwitzgöbels see nothing but good news as a wave of nostalgia sweeps the East.

OMEGA

THE LINK BETWEEN THE PAST AND THE FUTURE



Omega Constellation.
18 k gold.
Swiss made since 1848.

OMEGA
The sign of excellence

Close of trading Friday, Oct. 28.

Close of trading Friday, Oct. 28.

[illegible]

INTERNATIONAL CLASSIFIED

(Continued From Page 19)

UK 071 589 5237

LONDON PARIS GENEVA ZÜRICH

UK 071 589 5237

INTERNATIONAL ESCORTS

Service - Worldwide
Tel: 212-768-7896 New York, USA
Major Credit Cards Accepted

"UNIQUE"

ENGLISH
ESCORT AGENCY - TEL 071 789 7399

LONDON BRAZILIA

Service 021 724 5597/91 • credit cards

London 0956 431364 Escort Service

LONDON'S NO. 1 ESCORT

DUSSELDORF - KÖLN - BONN
Ruhr-Area Escort Service, credit cards

. Tel. 0221-510 6143. + 01

OUR READERS IN LUXEMBOURG

It's never been easier to subscribe
and save. Just call toll-free:
0 800 2703

0 800 2703

FRANKFURT & AREA

Moro's Escort Agency.
Please Call 069 - 577 66 66.

TOKYO EXECUTIVE
Escort Service. Credit cards.
Tel: 03-3479-7170

*** GENEVA * GINGER * PARIS ***
Escort Service
Tel. 022/731 80 81

" GENEVA INTERNATIONAL "

Tel: 022 / 731 63 52 - 0771259280
ZURICH - PARIS

Zurich 380 15 86 Escort Service.
Other city dial int'l 19-32-2-2010700

VIENNA...ZURICH...PRAGUE...
Escort Service VIENNA'S BEST
Call Vienna 1-43 11 532 11 32

*****MILAN - ROME - SUITE*****
Export Service & Travel to Middle East

*** LONDON *** EBONY ***

London & Heathrow Express Service
071 435 1002 Credit Cards Welcome
ENCHANTED SECRET SERVICE

WARRANTY SERVICE
Miami, Boston, Chicago.
Tel 305-983-0524

ZÜRICH • BERN • LUZERN
NATHALIE Export Service
Tel. 01 / 442 72 74

• CHLOE - LONDON •
••• •• ESCORT SERVICE ••• ••

• TEL: 071-486-4515 •
KENSINGTON ESCORT AGENCY

10 Kensington Church St, London W8
Tel: 071 937 9136/9133 credit cards
*** FURICH & SONS ***

Escort Service
Tel 01 / 381 99 48

VIENNA*ZURICH*PARIS*MUNICH
HIGH SOCIETY International Escort
Call Vienna + 43 1 676 11 01

ESCORT-AGENCY Penelope
Vernon

Tel: 0222/676 96 63

— — — — —

PRICE PLUMMETS BUT NOT FOR LONG

A year's subscription to the Herald Tribune gets you up to 50% off the cover price. Equally exciting short-term offers.

The world's most powerful news-gathering network is making a deal with you. But only if you act now.

To start your subscription just fax us:
In Europe - Paris (+33-1) 46 37 06 51
In Asia - Hong Kong (+852) 9222 11 99
Or refer to the subscription advertisement in this edition.

Herald Tribune

Herald Tribune

**LIVING IN THE U.S?
NOW PRINTED IN
NEW YORK
FOR SAME DAY
DELIVERY IN KEY CITIES**
TO SUBSCRIBE, CALL
1-800-882 2884
(IN NEW YORK, CALL 212-752-3890)

Rate Swap Suits: The Plot Thickens

By Floyd Norris

NEW YORK — The wonderful world of interest rate swaps has largely been hidden from public view. Now, as some big losers in the game cry foul and sue, more is coming to light.

Last week, Procter & Gamble became the second Cincinnati company to sue Bankers Trust. Like Gibson Greeting Cards a few weeks earlier, P&G sees itself as a swindled innocent that relied on the advice of a slick New York hustler and lost millions.

Bankers Trust, in its response to the Gibson suit, paints a far different picture. It says, just a trader.

ADVERTISEMENT GRAND METROPOLITAN p.l.c. (CDR)

The undersigned announces that the Company has decided to terminate the Deposit Agreement. Holders of CDRs of your Company are requested to deliver their CDRs to the undersigned and give instructions for the delivery of the underlying shares to a custodian in the United Kingdom. The withdrawal charges of A.D.L. are for the Company but costs of the deposit of the shares with the custodian have to be borne by the CDR-holder.

AMSTERDAM DEPOSITORY COMPANY N.V.
Amsterdam, 28 October 1994.

It is too early to judge the merits of the claims, but it is clear that Gibson and P&G ended up taking amazing risks.

Gibson says it took the riskiest of those chances only under duress, when losses were piling up from other bets whose details it will not disclose. P&G says it relied on promises from Bankers Trust that it could get out before the losses mounted.

Behind both cases is a trend that grew in the 1980s: the corporate treasurer as a profit center, able to use sophisticated means to make money on idle cash while saving money on borrowing.

More and more they turned to banks for clever ideas and, if these cases are any example, accepted risks that they did not understand.

In a simple interest rate swap, a company paying a fixed rate on a bond issue agrees to instead pay a floating rate.

That was what happened to P&G and Gibson, but in their cases they agreed to complex formulas that meant the rates they paid could soar. Under P&G's main formula, the company stood to save a little if rates fell or rose just a bit, but to lose big if rates jumped. Given what actually happened to rates, it could have been forced to pay over 30 percent a year.

The company says Bankers Trust promised it could get out well before that happened, under a complicated option that Bankers Trust did not explain.

Bankers Trust says there was no option deal at all, just a promise to quote a price.

NASDAQ NATIONAL MARKET

Consolidated trading for week ended Friday, Oct. 28.
(Continued)

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Stocks	Div	Yld	100s	High	Low	Chg	Chg
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0

Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	0
Alcoa	1.25	3.8	112 1/2	112 1/2	112 1/2	0	

Private Banking

Channel Islands Increase Their Draw Even Banks from Offshore Rivals Set Up Shop in Jersey and Guernsey

By Erik Ipsen

LONDON — In the most rarefied strata of the private banking world — where the accounts are hefty, the desire for secrecy high and the distaste for taxes even higher — a major battle is quietly raging.

The established titans of that business, Switzerland, Luxembourg and tiny Liechtenstein, are under siege.

In Liechtenstein and Luxembourg, there is fear that taxes will rise. In Switzerland, there is that plus a suspicion that Swiss secrecy is not what it once was.

And nowhere is all this news being more joyously received than in the Channel Islands of Jersey and Guernsey.

In Guernsey as recently as 1986, there were no Swiss banks. Today there are 14, accounting for 40 percent of the assets of the island's 68 banks — assets that have quadrupled in the last half-dozen years. In Jersey, the number of banks now stands at 78 — roughly one for every 1,000 residents and a 10 percent increase in the past year.

"Customers are keen to do business here," said Peter Crook, superintendent of banks for the Jersey Financial Services Commission. For the banks, he lists the island's attractions as "cheaper costs and no EC red tape." For their customers, he concedes, "our taxes are an advantage."

Jersey and Guernsey impose a maximum tax of 20 percent, and only on residents. Nonresidents pay no taxes. At present, that puts them just even with the likes of Liechtenstein, Luxembourg and Switzerland — but only at present.

To the delight of its rivals, Luxembourg is under pressure to join its fellow European Union members in imposing a withholding tax on various bank accounts. German authorities from Chancellor Helmut Kohl on down have recently criticized Luxembourg for allowing Germans to cross the border to avoid paying taxes. Many bankers say that those criticisms alone have caused considerable sums of money to leave that country.

"If the European Community decided that Luxembourg was a big enough thorn in their flesh and forced them to levy withholding taxes, I do not think we would be able to cope with all the business we would get," said Charles Tracy, managing director of N.M. Rothschild & Fils (CL) Ltd. in Guernsey.

Both Switzerland and Liechtenstein, meanwhile, will collect a 6.5 percent value-added tax on fees charged by their banks beginning next year. Some Swiss bankers fear that even that small levy may sit poorly with some of their customers.

For Liechtenstein, the VAT provoked a near-crisis this autumn when it appeared the tax would be collected, as most taxes in Liechtenstein are, by Swiss authorities. That would have forced local banks to do something they were not at all happy about doing — show their client lists to Swiss tax officials. In the end the need to

preserve confidentiality carried the day, with Liechtenstein agreeing to collect its own VAT.

Liechtenstein faces other problems, however. In a country that recognizes trusts, Liechtenstein's five banks have long benefited from huge flows of business from Switzerland, where trusts are barred. Typically, private-banking clients went to their Swiss banks, which would do the paperwork to set up a trust and then turn the account over to a Liechtenstein bank.

"Now we don't have to," says a delighted senior Swiss banker, now that the banks have moved much of that business to their own branches in the Channel Islands.

Guernsey and Jersey also increasingly appeal to Swiss banks trying to cut costs. "Switzerland has the highest banking costs in the world," complains a senior manager in Guernsey for Credit Suisse, now the largest bank on the island.

To make that cost case even more compelling, many of the Swiss and other foreign banks do much of the work of managing their private accounts in their offices in London. The business is booked in the Channel Islands only for purposes of tax and secrecy — although in the latter case, the preferred word in the Channel Islands is "confidentiality."

Of all aspects of private banking, secrecy — or confidentiality, as the industry calls it — remains one of the most important and perhaps the most controversial.

"The majority of the business on the islands does not depend on a neurotic obsession with secrecy," insists David Henshaw, chief executive of Kleinwort Benson's two Channel Islands banks.

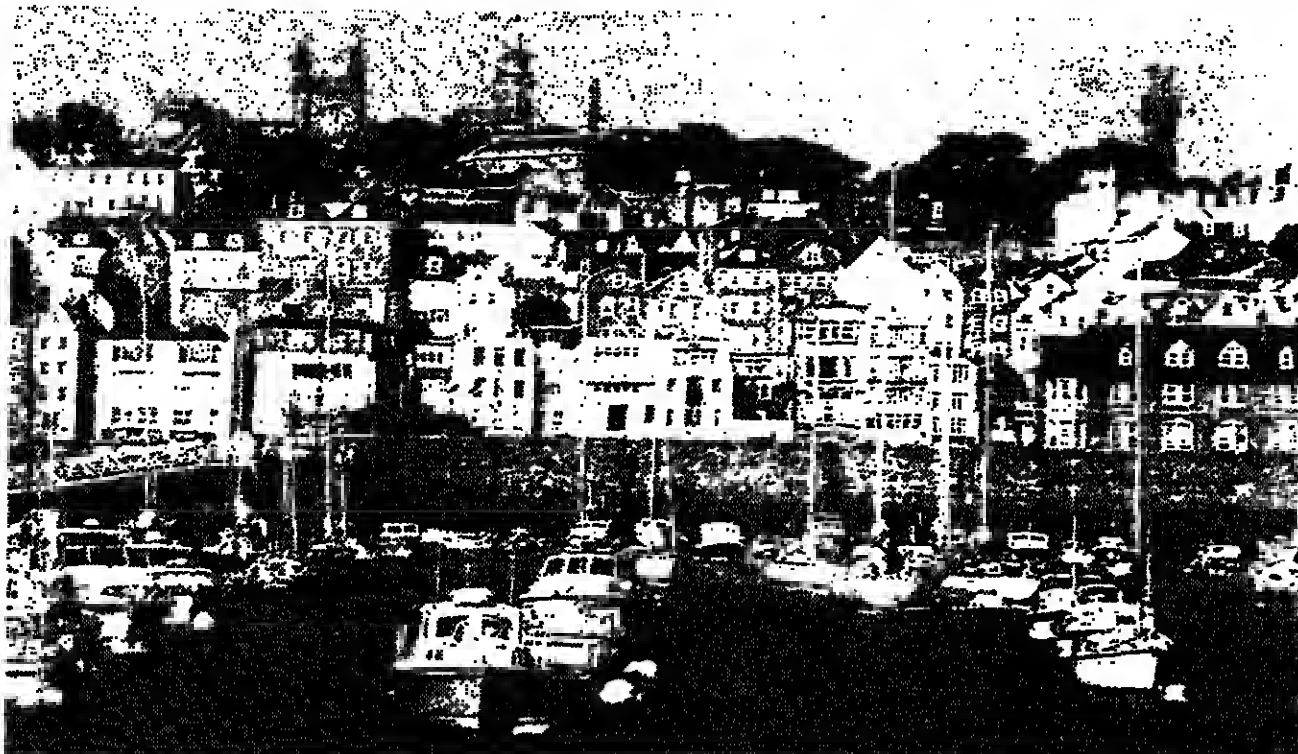
Secrecy nonetheless remains important. Noting the recent move by many Swiss banks to the Channel Islands, Jochen Haddermann, managing director of Centrum Bank in Liechtenstein, attributes it in part to "recent changes in Swiss law."

Specifically, Swiss authorities now require their banks to know the beneficial owner of their accounts, a requirement that does not hold in either the Channel Islands or Liechtenstein.

These days, bankers universally insist that confidentiality has its limits, no matter what clients may choose to believe. Mr. Haddermann, for instance, says that, although his bank is willing to accept blind accounts, the lawyers making those referrals have to be able to attest that, as he puts it, "It is not dirty money, that it is clean money and that it stays that way."

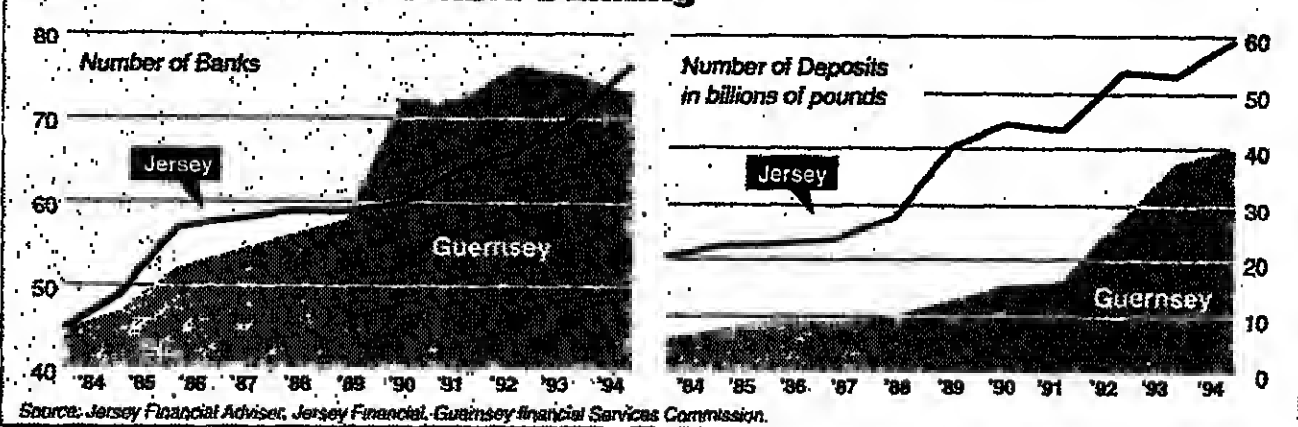
Other bankers point out that, if for example a major crime had been committed in a powerful country, chances are the authorities of that country will be able to force banks in any offshore financial center to divulge information on accounts connected with the crime, regardless of local laws on disclosure.

The key to preserving at least the all-important image of confidentiality is to



The town of Saint Peter Port, in Guernsey.

Growth in Channel Island Banking



Source: Jersey Financial Services Commission, Jersey Financial Services Commission, Guernsey Financial Services Commission.

International Herald Tribune

keep nefarious elements out — something not all banking authorities have always succeeded at. Liechtenstein's reputation, for instance, was sullied after the death of Robert Maxwell, when it was alleged that he had parked some of the money looted from funds under his control there.

"Liechtenstein has become a provocative place," said a London banker who has worked there. "Tax authorities see a Liechtenstein structure on your accounts, and they will likely go after it."

Switzerland, too, in recent years has had its confidentiality laws tested and, some say, found wanting. Run-ins with U.S. authorities over the fugitive financier Mark Rich, among others, have dented its reputation for vault-safe secrecy.

In contrast, the Channel Islands have had the good fortune to avoid major scandals. Authorities there, for instance, proudly point out that they balked at granting a banking license to the now-infamous Bank of Credit & Commerce International, or BCCI.

With strict limits imposed by their tiny labor pools, both Jersey and Guernsey have been able to be selective about their banks. "Ninety percent of our banks are in the top 500 banks in the world in terms of size," says Roger Vignell, deputy director of the Jersey Financial Services Department.

What is more, most of the regulation of those banks is done in their home countries, an idea that has gained force since the 1991 collapse of BCCI amid massive fraud and other criminal activities.

As merely the host country regulator, Mr. Vignell's responsibilities are far more limited. That may be just as well, given the fact that, as he says, the Jersey Financial Services Department has a staff of "three and a half people."

ERIK IPSEN is the London correspondent of the International Herald Tribune.

Luxembourg Confounds Doomsayers

Business Growing
Despite Warnings
Over Haven Status

By Martin Baker

LUXEMBOURG — Success may have a thousand fathers, but in the international banking industry it also generates a fair number of detractors. A classic example of this syndrome is afforded by Luxembourg's history as a financial center and by some of the predictions about its future made by competitors in the private banking industry.

To judge by the figures alone, Luxembourg's growth as a financial center over the past decade has been remarkable. Statistics provided by the Association des Banques et Banquiers Luxembourgeois, the country's banking industry representative body, show the number of banks resident in Luxembourg roughly doubling between the end of 1983 and the end of last year, to 218 from 114. Assets under management in the country almost tripled over this period from 6.592 trillion Luxembourg francs (\$214.24 billion) to 16.021 trillion francs.

The figures lumped together all types of banking assets — thus failing to provide a precise track of the growth of private banking. But the private banking sector itself appears to fit easily into an overall picture of success.

But there are those who say that the statistics represent only the most partial of truths. Those who favor other traditional private banking locations, such as the Channel Islands, Switzerland and the Bahamas, allude to the aggressive noises coming out of Germany, and in particular the oft-repeated statement by the German finance minister, Theo Weigel, of his intention to introduce withholding tax on bank deposits across Europe. This would hit Luxembourg directly, since a major part of its attraction to international in-

Continued on Page 16

Promise and Peril Ahead for Hong Kong

By Kevin Murphy

HONG KONG — Deepening pools of wealth have lured international private bankers to Asia in waves. But bankers and financial advisers say turbulent waters lie ahead as a market in flux adapts itself to local needs and increased competition.

"That Chinese and Western individuals of wealth out here want more private banking is indisputable," said Nick Bentley, of the financial advisers Bentley Reid & Thomas (HK) Ltd. "There is an enormous need for such services."

"The problem is that the individual's perspective on what they need is totally different than what private banks provide," Mr. Bentley added, noting that many of Asia's fortunes had been made in as short a period as the past 10 to 15 years.

Long the crossroads of Asia, Hong Kong remains a resting place for highly mobile cash from elsewhere in the region. Economic success — or strife — in other Asian countries is often measured anecdotally, but accurately, by flows of capital to and from accounts managed in the British colony.

While some bankers see customers from the Philippines repatriating more money to take advantage of an economic boom there, others report a steady stream of wealth flowing out of China.

Entrepreneurs and politicians who have already profited from China's dramatic reforms appear eager to hedge against risk to their personal fortunes now that inflation in China has topped 27 percent annually.

Hong Kong, which is due to revert to Chinese control in 1997, is also registering an outflow of funds, according to one Swiss banker — who, typically, was unwilling to be quoted by name.

"When I first arrived here one year ago, people were quite bullish," the Swiss banker said. "But now I think this is going to be a private bankers' paradise. A lot of money here is eventually going somewhere else."

With more foreign banks chasing a high-net-worth clientele, Hong Kong has become increasingly a melting pot of in-

ternational approaches to private banking.

For every Swiss-style bank discreetly providing long-term relationships and cautious advice on fixed-term bank deposits and capital transfers, an American investment bank's private client department is offering risky derivatives to deep-pocketed punters who want to dabble in the latest instruments available in world financial markets.

"Many of our clients give us money just because they don't want to worry about it," said the Swiss banker. "We're expected to safely generate 10 to 15 percent returns. They make the 20 to 50 or 100 percent return in their own businesses."

At their extremes, wealthy customers want impeccable investment advice from

"I think this is going to be a private bankers' paradise. A lot of money here is eventually going somewhere else."

friendly bankers of longstanding and low-risk, high-yield returns — all for minuscule fees.

Meanwhile, private banking operations at their worst seek only to develop a trusting, captive source of funds to be tapped for deals dreamed up by the merchant-banking and syndication arms of their parent companies.

"Some very important houses are not behaving responsibly in this market at all," said one senior executive of a European private bank with offices in Hong Kong, referring to a string of derivative investments gone badly wrong. "And many customers want higher returns than time deposits, but they don't want to take much risk."

In between are clients who want a little of both and banks trying to decide how far to move toward becoming a "one-stop shop" for all their clients' financial-management needs.

"In a European environment one tends to find that private-banking customers

seek much more substantial planning for all their investments," said Richard Harris, chief executive of Jardine Fleming Investment Services.

"In Asia, that's not the case. A lot of millionaires are recently created, and they are most likely to say 'This is a pool of money I want invested now,'" said Mr. Harris — whose firm, through its links with other units of Jardine Matheson Holdings Ltd. and its co-parent, the British investment bank Robert Fleming & Co., comes close to offering one-stop financial services shopping.

Jardine Fleming, which has had a low-profile private banking operation for about 20 years, has devised a "wealth management" system that it says can handle almost any financial, legal, property, insurance or accounting task, either on an in-house basis or by referral to long-established contacts at law firms.

"The things we do well, we work on; those with which we don't have expertise, we pass on to someone we trust," Mr. Harris said. "But while we deal primarily with family companies, there are no formal in-house arrangements. Otherwise one can be open to criticism about fees and rebates."

There is broad agreement in the industry that convenience and comprehensiveness in personal financial management and planning will become increasingly important to customers. But should any one group be trusted entirely with a person's assets?

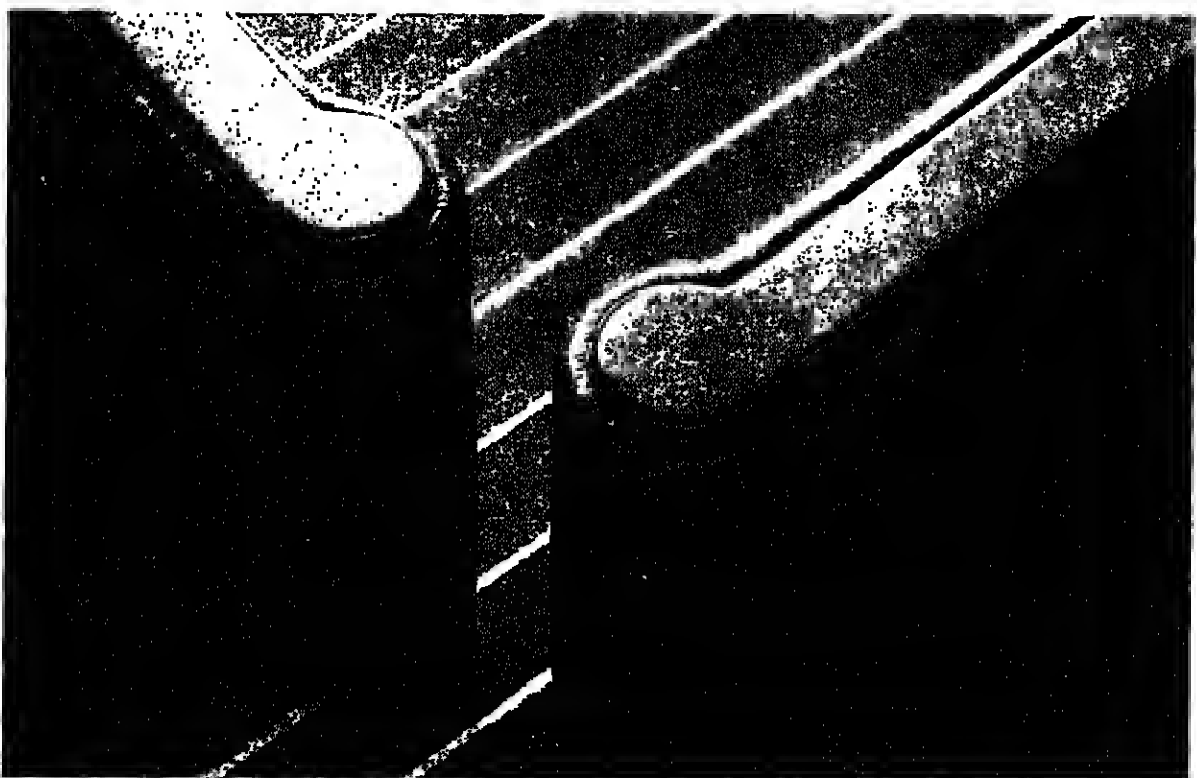
"There is a dangerous trend developing in private banking in the Far East," said Nick Bentley. "Once banks develop the client base, some just flog new products at it. It's a risky move away from conventional investment; it's not the private banking clients think they understand."

Mr. Bentley, as a financial planner, naturally favors a role for intermediaries in the process, arguing that a split in roles between advisers and the sprawling banks is more likely to result in objectivity about a particular investment.

"Thirty to 40 percent of our business is now introduced from private banks themselves," said Mr. Bentley. "We've moved

Continued on Page 16

Trust, discretion, understanding, dialogue.
In fact, what you need is a bank that isn't like yours.



In a highly volatile financial environment, where change is the order of the day, Union Bancaire Privée offers its clients a unique approach to international asset management.

Blending Swiss tradition and innovation, Union Bancaire Privée allies prudence and imagination in meeting its commitment to protect and enhance your assets.

By becoming a client of Union Bancaire Privée, you too will discover the privileges of a very private bank.

UNION BANCAIRE PRIVÉE
GENÈVE
TRÈS PRIVÉE

Head Office: 96-98, rue du Rhône • 1204 GENÈVE
GENÈVE • ZÜRICH • LUGANO • LONDON • NASSAU • NEW YORK • TOKYO • HONG KONG • ISTANBUL • AMERICA LATINA

Performance: Getting Easier to Judge

By Martin Baker

THE management performance of a private banker has traditionally been one of the profession's best-kept secrets. The banking profession can and does provide a host of reasons for its failure to publicize its success (or otherwise) in managing its clients' money. Words such as "discretion" and "confidentiality" abound.

But the private banking industry is changing. The pressure of increased competition is beginning to force this niche of the financial industry to throw some light on investment performance.

Instrumental in the slow lifting of the veil has been investors' increasing use of financial advisers, says Anthony Yagdaroff, managing director of Allenbridge Group, a London-based performance monitoring firm. "In the last few years there has been huge growth among professional evaluators of those who manage money on a discretionary basis and of fund managers," he said.

But Mr. Yagdaroff counsels against using advisers who are "just performance chasers," saying that investors should gather and evaluate their own information and turn to "specialist advisers who will understand the investors' risk tolerances and find the appropriate discretionary manager."

Not long ago, gleaning information on how a private bank had performed with its clients' money was almost impossible. Investors were often reduced to word-of-mouth methods. "You would have to ask friends how their money had fared at such-and-such a bank," said one New York-based private banker who spoke on condition of anonymity. "Now things are different. Discretionary managers are publishing model portfolios, and it's possible to see how the hypothetical client would have fared and make a more or less even comparison."

Christopher Kwiecinski, Paris-based director of investment management at the private banking arm of Paribas, concurs: "There has been a shift to openness and more transparency. Banks are publishing model portfolios and tend to provide more information on a regular basis."

Model portfolios may be a step in the right direction, but investors should be careful about making comparisons, warns Angus Cruickshank, a director of Guinness Mahon private bank in London: "It really depends on what a client wants, on what level of risk he is prepared to take. A lot turns on how sophisticated the individual is, what levels of risk he can understand, what losses he can tolerate. A comparison between lots of figures that only tell you about performance may change dramatically depending on what time period you take. Statistics can be read almost in any way you like."

Robert Brown, deputy managing director of Cantrade, a Zurich-based private bank owned by Union Bank of Switzerland, agrees. Mr. Brown identifies three potential benchmarks against which banks may be judged, according to the degree of risk an investor is prepared to accept.

"The first benchmark is the deposit rate. It might seem obvious to everybody, but if a client isn't getting a return above the deposit rate for extra risk taken, then the risk isn't worth taking."

The second criterion of good performance is similarly universal: "The investor has to ask himself whether he is beating inflation over the long term. It is in the nature of risk-oriented investment that an investment may underperform in the short term, but if the portfolio is not beating inflation over five years, something is badly wrong."

Finally, the more ambitious, growth-oriented investor will be looking to have investments in a mix of assets, argues Mr. Brown. He says Cantrade has developed a benchmark that is "sensitive to the circumstances of this kind of client." The principle, he says, is "What is the natural long-term balance of investment for growth?" The Cantrade index is designed for the British investor and is composed of 50 percent U.K. shares, 20 percent overseas securities and 30 percent a "cocktail of index-linked and other defensive securities."

Cantrade measures the performance of model portfolios against its composite benchmark. Mr. Brown concedes that the index is far from perfect but says it provides a rough guide to what individual investors should expect from private bankers who manage their money on a discretionary basis. He argues that this kind of performance measurement promotes greater openness in the industry.

"Partly because of the cloak of discretion, partly because of tax reasons," he says, "the private client can fail to get the benefit of disclosed performance, unlike some others. We are trying to help along the movement for more disclosure in investment management."

But, disclosure or not, there are those who reaffirm the point that private banking is a personal service, and the individual needs of each client do not necessarily lend themselves to measurement against a general benchmark.

Ian Partridge, marketing director of Chase Manhattan's private bank in Geneva, suggests that in evaluating a bank's performance, an investor should look at the track record of its funds, or those portfolios whose performance is a matter of public record.

But then, he says, the investor should ask: "What sort of smart investment ideas does the bank have that fit into the individual's own circumstances? Has the bank thought through the individual's own needs and made a proposal which is smart for that investor?"

Eric Lefeuvre, head of Paribas Asset Management in Paris, sums up the marriage between individual need and go-go performance as being "relative to the client's own personal benchmark, which must be decided on carefully."

He adds: "The ultimate measure of success is where we match those requirements, of which performance is an important, but not the only, part. You have to look at the fiscal advice, the quality of reporting and the overall quality of the personal service we deliver in determining how successful we are."

MARTIN BAKER is editor of the International Herald Tribune's Money Report.

Lean Times for Lending on Artworks

By Aline Sullivan

LENDING against works of art was a big business in the late 1980s. But today, only a handful of financial institutions will arrange such loans for private clients. And they hold out little hope of a return to the boom times.

Demand is still there. Borrowers willing to put up works of art as collateral generally fall into one of two groups: dealers or collectors who want to leverage their existing collections to finance further purchases, or those needing to pay off business or other debts. Not surprisingly, lenders say, more applications have come from the second group in recent years, although in smaller numbers than they had expected.

As investments, works of art have one big drawback. Although they may offer impressive capital appreciation, they commonly earn no return for their owner between one sale and the next. Instead they cost money, especially to insure and maintain. For private collectors this can be irksome. For art dealers whose livelihoods depend on rapid turnover of stock, it can be disastrous.

But only the most desperate are willing to sell in today's market. Values for most categories of art plummeted in the early 1990s after reaching record highs in the 1980s. Prices are now creeping back in some areas, but few market authorities expect significant gains. Borrowing is often a more palatable, although expensive, solution.

For lenders, the problems posed by works of art as security are legion. Values are often volatile, and valuations sometimes prove unreliable. Although many banks will make loans with artworks as collateral, most insist on taking possession. Consignment to the bank's vaults,

while it provides no protection against a decline in value, at least provides a degree of comfort to the lender.

But some banks are willing to go further. Take the case of a client of 20 years' standing who approaches his bank wishing to borrow a third of the value of his collection of Matisse drawings, yet keep the drawings in his own home. This is "relationship banking" at perhaps its most advanced stage.

"Making loans against works of art is part of our overall relationship with our private banking clients," said Cathy Bouckley, director of Citibank's Art Advisory Service in New York. "Art is like land in that it is not an income-producing asset. We are able to provide some liquidity without taking possession."

Ms. Bouckley said that this art lending service was only part of the bank's overall "wealth management" service for its private clients. Decisions about loan applications are made on the basis of the client's ability to pay as well as the value of the work offered as collateral.

The Citibank Art Advisory Service has been making loans against works of art for 15 years.

"It is a major part of our private banking business," Ms. Bouckley said. "We have stayed in place during the lean years as well as the boom years. We know the market because we are constantly in the market."

Chase Manhattan Bank, which has a large department devoted to its own art collection, also makes loans to its American private-banking clients using works of art as collateral. Others still in this market include Sotheby's Financial Services in New York, a division of the Sotheby's auction house, and Rosenthal & Rosenthal, also in New York.

But recession and declining art values have made even the most dedicated lend-

ers more cautious. Sotheby's Financial Services' portfolio of loans outstanding has shrunk to about \$130 million from a high of \$250 million in 1989. Its president, Mitchell Zuckerman, attributed the drop to a decline in demand as well as more stringent lending policies.

"It is surprising that we didn't see more demand in the 1990-93 period when recession was so severe," said Mr. Zuckerman. "But loans are up a bit from a year ago. We are seeing a slow but steady recovery."

Other lenders say the major reason for the drop in demand has been the expense of borrowing against works of art.

FOR example, Sotheby's charges interest of three to four percentage points above the prime lending rate, and Rosenthal & Rosenthal charge still more. When art prices are stagnant, borrowing to finance further purchases loses much of its appeal.

Art-based loans are also expensive for the lenders, who have to arrange for the works to be valued. Consequently, the minimum amounts required are relatively high: Citibank won't consider a loan application for less than \$2 million, the Sotheby's minimum is \$1 million, and Rosenthal & Rosenthal's is \$250,000. Executives of Chase Manhattan declined to comment on the bank's lending policies.

Borrowing against works of art is more popular in the United States than elsewhere because lenders in America can have legal control, or a lien, on the work. If the artwork is subsequently sold without the lender's knowledge, the buyer will not obtain title to it. In Britain and most other European countries, lenders making these loans cover this risk through insurance policies.

ALINE SULLIVAN is a journalist in London who specializes in financial topics.

Answers May Be Elusive, but Here, at Least, Are Some Questions

ASK not for whom the bank works; it works for thee. In other words, the business of assessing a private bank's performance is up to you, the client.

Many private bankers argue that the service they provide is personal, so the marks they score will depend on the requirements of each client. Nevertheless, once the client has defined his expectations, there are a few matters that can always be put to a private bank.

• What do I want?
It is vital to establish clearly in your mind what you want to do with your

money. The oldest saw of finance — that there is no profit without risk — is inescapable here. The fundamental choice is between safe investments that provide some income yet still avoid erosion of capital value, and riskier investments that may produce capital growth in the longer term but may also fall in value.

• Is the bank a good money manager?
There are two ways of answering this question. One is relatively easy, the other difficult.

The first is to judge the bank against a relevant benchmark. If, for example, you have specified that you want income yet

receive less than the return available for leaving your money on deposit, the bank is clearly not doing its job well.

The difficult way is to try to compare your bank with the competition. Thanks to the secrecy that still surrounds private banking, reliable information can be difficult to find.

• Is the bank taking risks with my money?

You should insist on regular statements if you have chosen a strategy that subjects your investments to changes in value. If the degree of fluctuation makes you uncomfortable, invest in less volatile assets such as deposit accounts.

• Is the bank safe?
There is no such thing as a guarantee of safety. Sometimes it is difficult to tell just how safe a private bank is.

Some private banks are relatively easy to evaluate, especially the private-banking arms of huge international banks such as Chase Manhattan or Paribas, which have risk assessments published by international credit rating agencies. In other cases, the investor has to make a decision based on reputation, longevity and the bank's standing in the eyes of informed professionals.

• Is the bank expensive?
The usual rule — that the more money

you have, the less you pay — does not apply in private banking. The bankers say this is because of the personal nature of the service. Skeptics say bankers charge fat fees because clients hungry for confidentiality will be unlikely to complain too loudly.

If you have a friend who uses a private bank and is willing to talk freely about fee levels, this may offer a useful guide.

As one possible guideline, some say that charging anything more than 0.5 percent of the assets under management is exorbitant.

Martin Baker

Discreet, quality

private

banking

services for

discriminating people

around the world.

The Private Bank of Bank of America offers investment, trust, treasury and banking services around the world. To find out how a private banker can assist you, call one of the offices below.

Geneva (41) (22) 311-8933	Grand Cayman (809) 949-7888	Hong Kong (852) (2) 847-6770	Jersey, Channel Islands (44) (5) 347-4431
London (44) (71) 634-4787	San Francisco (415) 622-2547	Singapore (65) 320-3340	

THE PRIVATE BANK OF BANK OF AMERICA

 Bank of America

© 1994 BankAmerica Corporation

International private banking a strategic activity for BNP

Reaching across the world with a presence in 77 countries, Banque Nationale de Paris has been developing International Private Banking as one of its strategic activities in more than 41 locations worldwide.

As a trusted financial advisor of wealthy individuals and their families, BNP has earned their recognition in terms of its record of protecting, preserving and enhancing the value of their assets. With over \$28 billion of international private assets, BNP is continuously seeking to create added value for managed funds. It has developed a broad range of services and products that covers the wide spectrum of individual requirements, which includes not only traditional banking services but advanced cash management products tailored to individuals, portfolio management, trust services and specialized lending.

For the future, BNP is looking forward to further growth in this field, which has averaged at least 15% on an annual basis over the last several years, and it will continue to be in the forefront of new developments in the creation of private wealth all over the world.

Banque Nationale de Paris



T H E

R E P O R T

every Saturday in the IHT.

ملکة المنصور

Private Banking / A Special Report

How to Make Retirement Less of a Job

Wealthy Expatriates May Need to Consider Establishing a Trust

By Barbara Wall

THROUGHOUT their lives, most expatriates have accumulated a range of investments on an ad hoc basis. But as retirement beckons, the need for a more structured approach may become pressing, particularly if assets are scattered across the globe.

"The financial planning needs of retired expatriates are too diverse for any one product or service to be targeted at this particular market," said Peter Stradling, chief operating officer at Coutts International Bank in Zurich. "Consequently, well-heeled individuals tend to look to private banks for a bespoke service."

The banking services required and the suitability of any one particular bank will ultimately depend on your domicile and tax position. The needs of, say, a British national resident in Hong Kong but domiciled in the United Kingdom will be far different from those of an American expatriate in Europe who has cut all ties with the United States.

If there are continuing financial obligations in the base country, such as credit card bills or mortgage payments, it may make sense to keep an account with a local bank. However, as an expatriate's needs tend to go beyond simple day-to-day transactions, a bank with overseas operations would probably be more appropriate for most.

Asset protection is a primary concern of many retired or soon-to-retire expatriates. Having amassed wealth over the years, the last thing anyone wants is for this wealth to be whittled away by taxes, or worse, to be distributed after his or her death according to the laws of the host country rather than the wishes of the deceased.

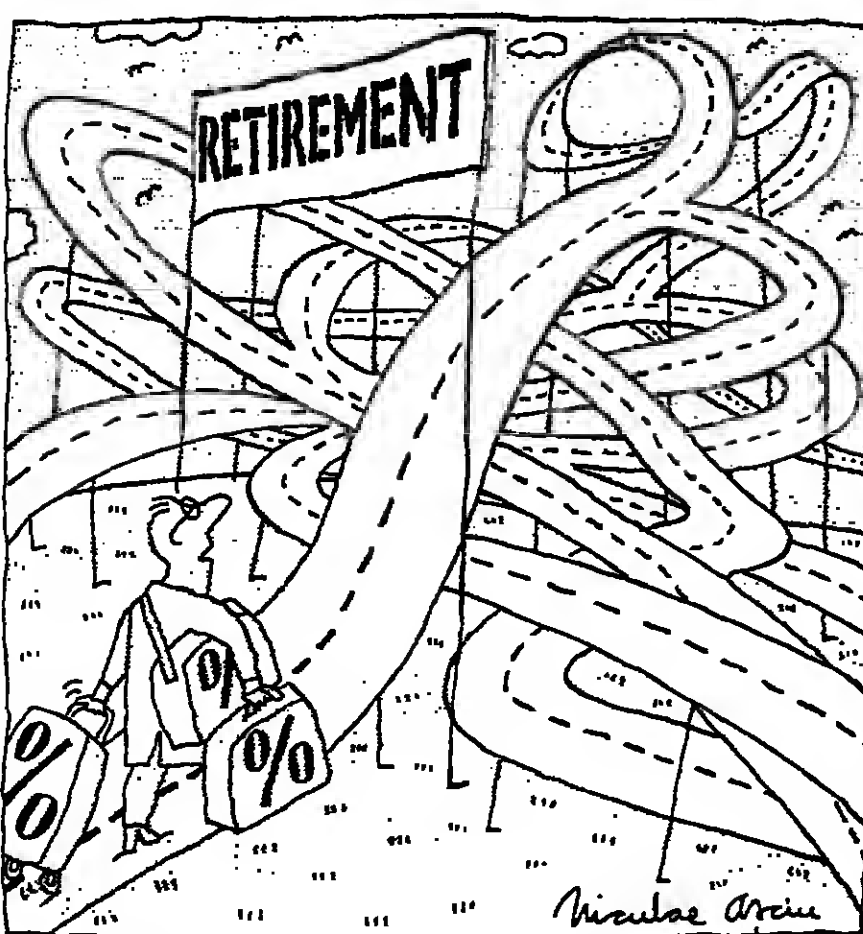
Many major international merchant banks, such as Chase Manhattan Corp. or Kleinwort Benson Group PLC, have sister organizations that specialize in the setting up and administration of trusts for estate-planning purposes. Most of these trust corporations are based in offshore tax havens such as the Channel Islands or Bermuda.

"If you have property or investments in various different jurisdictions, it makes sense to shelter them all under the trust umbrella," said Julian Bub, managing director of Chase Manhattan Bank & Trust Cos. in the Channel Islands. "The alternative is to take out probate in each country where the assets are located; as well as being messy, this may not always be feasible."

Trusts are not suitable for everyone, however. Few banks will manage a trust for assets under \$1 million, and some jurisdictions, such as France, do not recognize the trust structure. Moreover, Americans overseas may have difficulty persuading a banker that a trust structure is really in their interest.

Christopher Rebindaine, manager of private banking for the Guernsey subsidiary of the Australian banking company ANZ Grindlays Bank PLC, said that, because the Internal Revenue Service is less than fond of trusts, many American banks are reluctant to offer this service to U.S. citizens. "They want to be seen to be playing by the rules," he said.

Where trusts are concerned, profession-



International Herald Tribune

advice should always be sought from a tax lawyer or accountant. ANZ Grindlays, for example, would not recommend the trust structure to American or British expatriates who intend to move back home.

"Americans are unlikely to benefit from a trust because of the constraints imposed by the IRS," Mr. Rebindaine said. "British foreign nationals, on the other hand, may gain some advantage from a trust structure, but they would have to ensure that they had lost their U.K. domicile status first, and this is very difficult to achieve."

John Rhodes, a tax and trust lawyer with the law firm of Macfarlanes in London, agrees that American expatriates have to be careful when considering a trust structure. Nonetheless, he says, trusts can be used both as a shield against taxes and for estate planning in certain circumstances, provided the client is not obviously trying to avoid taxes.

Once estate planning has been taken care of, the bank can get down to the task of managing the investments. "Retirement doesn't automatically mean that walls have to be built around investments," said Geoff Roberts, manager for business development at Lloyds Bank in the Channel Islands.

But if the client is returning home from a long spell overseas, some precautions will have to be taken in relation to currency exposure, he said.

"A British foreign national returning to the U.K., for example, will want to ensure that the majority of the investment portfolio is denominated in sterling at least a year before the repatriation. As the client may also be exposed to capital gains tax on returning home, we would advise that capital gains accruals are 'bed and breakfasted' before the U.K. tax authorities get wind of them."

"Bed and breakfasting" refers to a complex procedure in which an asset is sold and then quickly reacquired before its owner returns to the United Kingdom, as a means of avoiding liability for capital gains tax.

In addition, the investment portfolio may have to be re-worked to provide additional income if the expatriate is returning to a country where the cost of living is higher.

"Depending on the extent of the client's needs and if the investment returns are

significantly higher than current inflation, we may counsel the client to use a proportion of the surplus capital profits for income," said Nicolas Bowater, head of private banking in London for Credit Suisse.

Although most overseas employees return to their base countries before retirement, there are those who, because they own properties in several places, move around the globe on a regular basis and have no strong ties to any single location.

"This group will probably gain some advantage from holding their investments in one of the recognized tax havens such as the Channel Islands, Bermuda or the Cayman Islands," Mr. Roberts said. "As well as having the full range of multicurrency investment facilities on tap, there is the obvious tax advantage associated with offshore banking."

Even for those globe-trotting expatriates who have rejected the idea of returning to their original domicile, a certain amount of flexibility should be written into the financial plan.

"It is often the case that dyed-in-the-wool expatriates return home when their partner dies or illness strikes," Mr. Roberts said. "These eventualities must be catered for; otherwise, the consequences can be disastrous from a tax standpoint."

For those who can afford it, a private bank is the ideal mechanism for pre- and post-retirement planning. As well as offering a personally tailored service, private banks can deal with all of a client's planning needs under one roof. To get the most out of the services available, however, clients should start the job at least five years before retirement.

Finally, while the essence of private banking is personalized service, this can mean different things to different people. "If investors want the bank to purchase paintings and property on their behalf, for example, they may be better off seeking advice from one of the small Swiss banks which are known to specialize in these matters," said Philip Hooper, manager of business development for Hambros Bank in Jersey. "The international merchant banks tend to provide a more focused service, dealing principally with trust administration and investment management."

BARBARA WALL is a journalist based in Paris who specializes in financial topics.

Task in Japan: Keeping It in the Family

By Steven Brull

TOKYO — In theory, a country where millions of citizens own properties worth millions of dollars ought to be a paradise for private bankers.

In practice, most wealth owned by individuals in Japan is stored in highly illiquid assets, mostly property and stocks that have soared in value.

Moreover, the Ministry of Finance — arguably the most powerful institution in Japan — has set up elaborate restrictions that make it difficult to liquidate assets in transfer wealth to offspring.

The result is that most private banking in Japan is concerned with inheritance, but playing the game is so intricate and fraught with risk that few individuals are willing to engage in aggressive strategies.

"In Japan so many individuals are so very wealthy that as a private banker you can start salivating," said Deborah Wetmore, a Canadian who advises Japanese and foreigners on investing and tax planning. "But the tax laws are so restrictive and complicated that it's just mind-boggling."

Still, for those willing to undertake long-term planning and make sacrifices, strategies exist that can enable wealthy individuals to pass on their riches to another generation.

At the same time, slowly improving property and stock prices, as well as a growing population of aging patriarchs, are likely to lead to an increase in the number of individuals prepared to execute strategies that bypass the taxman and preserve significant amounts of wealth.

"Very few Japanese have been willing to bother with all the planning," Ms. Wetmore said. "But because of changed attitudes, we'll see more people liquidating wealth if stock and property prices rise."

The difficulties facing wealthy Japanese are typified by the case of Hiroshi Kaneko, a 50-year-old father of two whose parents died when he was young. Mr. Kaneko (not his real name) inherited rural and urban land valued at \$30 million. The large and profitable retail business he inherited is valued at \$20 million. He owns about 80 percent of the shares in the unlisted company. Along with his collection of Japanese antiques, these holdings give Mr. Kaneko a net worth of about \$50 million.

Having had a stressful life, Mr. Kaneko is worried about his health. To be sure, there would be no immediate problems for his wife. She is entitled to receive half his estate tax-free.

The other half, however, is split be-

tween his children. The problem is that unlike the United States and many other countries, Japan levies inheritance taxes not on the estate but on the recipient of the inheritance; and the inheritance tax runs as high as 70 percent.

"So many individuals are so very wealthy that as a private banker you can start salivating. But the tax laws are so restrictive and complicated that it's just mind-boggling."

In Mr. Kaneko's case, the children would receive about \$12 million — and face an inheritance-tax bill of about \$5 million. When their mother dies, they will have to pay an equal or higher amount.

The real problem lies in getting the cash to pay the taxes. In the late 1980s, when Japan's property and stock prices were booming, it was relatively easy and sensible to borrow the money. To generate the cash to pay off the loan, one could develop some urban property into high-rent apartments for well-beeled foreigners. The property thus remained in the family, even if it took many years to cover the tax bill.

But with banks now reluctant to lend, and property values and rents far below their "bubble economy" peaks, this strategy no longer works. Often the only choice is to liquidate assets.

"The Japanese tax system is clearly designed to redistribute wealth," Ms. Wetmore said. "It's virtually impossible to legally keep wealth beyond three generations."

Deductions on the Far Horizon

TOKYO — For well-paid foreigners in Japan, who face a marginal income tax rate as high as 65 percent on annual compensation above 20 million yen (about \$200,000), international real estate investments can offer big tax reductions.

Japanese tax laws allow investors to depreciate the value of buildings, but not property. The depreciated loss then is deducted from compensation income.

Because land is so expensive in Japan, the cost of a residential property in Tokyo is usually about two-thirds land, one-third the cost of the structure built on it. As a result, investments aimed at

achieving depreciation losses are far more efficient with properties outside Japan, where land costs generally remain a small fraction of the purchase price.

The depreciation schedule depends on the type of structure, with more modern steel and concrete edifices offering the slowest depreciation and buildings of wood offering the fastest. With wood building, the precise schedule is open to negotiation, but it can be as short as three years.

Thus, a \$100,000 investment could, in theory, slice as much as \$35,000 off one's gross taxable income.

With long-term planning, for example, Mr. Kaneko could slowly transfer many of his assets abroad. Then, upon his death, he could pass these along to an offspring who is a long-term foreign resident (though he or she may remain a Japanese national).

Mr. Kaneko's foreign assets thus would not be taxed by Japan. And his son's tax obligations would be covered by the estate, which is based abroad.

"If you work it out right, it's perfect," Ms. Wetmore said.

Still, there is a natural reluctance among Japanese to use such strategies. An obvious difficulty is that its execution takes years of planning, during which the patriarch must be able to liquidate and transfer his assets overseas. And it requires one member of the family to establish foreign residency for an undetermined period. This individual, moreover, will tend to receive the lion's share of the inheritance.

Another problem is simply the thin legalistic tradition that makes Japanese uncomfortable with using the law actively to preserve wealth. That tendency is reinforced by the government's broad power to interpret vaguely worded laws.

"People are terrified of the fact that a bureaucrat is going to check into things," Ms. Wetmore said. "The bureaucratic forces do not want Japan to be investing internationally in a free way or to be saving taxes."

STEVEN BRULL is Tokyo correspondent for the International Herald Tribune.

BANKS WERE ESTABLISHED TO PROTECT DEPOSITORS' FUNDS. IT'S STILL OUR MOST IMPORTANT MISSION.



Throughout history, man has sought to safeguard the things he values.

It was true in the Middle Ages, when banking institutions emerged to shelter the wealth created by an expanding market economy. It's equally true now.

Today, however, safety isn't a matter of having the biggest strongbox or the heaviest padlock. In today's fluid world, safety is tied to prudent policies, a strong balance sheet and

a conservative banking philosophy.

These are the very qualities that have made Republic National Bank one of the safest institutions in the world. Our asset quality and capital ratios are among the strongest in the industry. And our dedication to protecting depositors' funds is unmatched anywhere.

As a subsidiary of Safra Republic Holdings S.A. and an affiliate of Republic New York

Corporation, we're part of a global group with more than US\$5 billion in capital and more than US\$50 billion in assets. These assets continue to grow substantially, a testament to the group's risk-averse orientation and century-old heritage.

So, while much has changed since the Middle Ages, safety is still a depositor's most important concern. And it's still our most important mission.

REPUBLIC NATIONAL BANK OF NEW YORK (SUISSE) SA



TIMELESS VALUES. TRADITIONAL STRENGTH.

HEAD OFFICE: NEW YORK 1004 • 2, PLACE DU LAC • TEL. (022) 705 55 55 • FAX: (022) 705 55 50 AND GENEVA 1201 • 2, RUE DR. ALFRED-VINCENT (CORNER QUAI DU MONT-ROSE) • BRANCHES: LUGANO 6901 • 1, VIA CANOVA • TEL. (091) 23 85 32 • ZURICH 8039 • STROBELSTRASSE 37 • TEL. (01) 288 18 18 • GUERNSEY • RUE DU PRINCE • ST. PETER PORT • TEL. (481) 711 761 • AFFILIATE: REPUBLIC NATIONAL BANK OF NEW YORK IN NEW YORK • OTHER LOCATIONS: GIBRALTAR • GUERNSEY • LONDON • LUXEMBOURG • MILAN • MONTE CARLO • PARIS • BEVERLY HILLS • CAYMAN ISLANDS • LOS ANGELES • MEXICO CITY • MIAMI • MONTREAL • NASSAU • NEW YORK • BUENOS AIRES • CARACAS • MONTEVIDEO • PUNTA DEL ESTE • RIO DE JANEIRO • SANTIAGO • BEIRUT • BEIJING • HONG KONG • JAKARTA • SINGAPORE • TAIPEI • TOKYO

Is a Trust the Solution?

TRUSTS can fulfill a number of financial-planning objectives. These include:

- Overcoming rules of inheritance and forced heirship;
- Mitigating tax;
- Enhancing protection against the implementation of exchange controls or nationalization;
- Bringing assets under one management umbrella.

But look, too, at the consequences of setting up the trust. Some jurisdictions do not recognize the trust concept. Choose a reputable trustee. Lawyers and accountants can provide just as good a service as major international banks.

Trusts are expensive to set up. Professional advisers rarely recommend a trust structure for assets under \$500,000.

Barbara Wall

AN OFF-SHORE TRADING CORPORATION

can enhance your profit by reducing your tax burden?

- The off-shore trading corporation can build up an off-shore profit in your import-export business, trade-mark protection and commercial commission activity.
- The off-shore trading corporation can ensure an advantageous employment contract for yourself with flexibility and tax savings.

Please talk with us

ORION INVESTMENTS & TRUST LTD.
25, rue de Champoulet, 1201 Lenne, Sallierland
Tel.: +41-22-732 48 15 - Fax: +41-22-731 44 91

We have 25 years experience in wealth management

IFI Autumn issue now available.
Please call (33-1) 46 37 94 70
or fax (33-1) 46 37 21 33



INTERNATIONAL
Herald Tribune

INTRODUCTORY TRIAL
VALUE LINE
ONLY \$95

If no member of your household has subscribed to Value Line in the past three years, you can now receive full-page analyses of about 130 American and Foreign stocks each week for the next 10 weeks for \$95. As a double bonus at no additional charge, you will also receive the 2,000-page Investors Reference Library (covering 1,700 American & Foreign stocks) and the How to Invest in Common Stocks booklet, which explains how even inexperienced investors can apply thousands of hours of professional research to their own portfolios by focusing on only two unequivocal ratings, one for "Timeliness" (Performance in the next 6 to 12 months), the other for "Safety".

With your subscription you also will receive a copy of WALL STREET WORDS, an accessible dictionary of over 3,500 terms (retail price \$8.95). In addition to clear definitions, this convenient guide features special explanations, helpful hints, and case histories on 87 topics of special interest, contributed by 32 industry professionals—plus 48 case-example paragraphs by the author. (Available while supplies last.)

We make this special offer because we have found that a high percentage of those who try Value Line for a short period stay with it on a long-term basis. The increased circulation enables us to provide this service for far less than would have to be charged our long-term subscribers were their number smaller. Send payment along with name and address, together with this ad to Department: 413F31

THE VALUE LINE INVESTMENT SURVEY®
220 East 42nd Street, New York, NY 10017-5891
U.S.A.

*U.S. Dollars only. All inquiries should be directed to: Value Line Publishing, Inc., 220 East 42nd Street, New York, NY 10017-5891 U.S.A. Distributed by KLM Royal Dutch Airlines Publication Distributors Service, Holland. Allow 4 weeks for delivery.

Sweden's Barriers to Wealth

By Conrad de Aenlle

STOCKHOLM — It may be nice being rich anywhere, but it's more difficult being rich in Sweden. Although the top income tax rate has fallen, it is still 50 percent, and the recently elected Social Democrats have proposed raising it to 55 percent.

Beyond that, interest income is taxed at 25 percent. And when an individual accumulates a modest degree of wealth in spite of those taxes, he faces a wealth tax of as much as 1 percent of the value of his assets every year.

Sweden's major exporting companies said recently they feared that marginal taxes of more than 50 percent would severely decrease their attractiveness to potential employees and executives and make it difficult to "retain necessary expertise" in Sweden.

Top officials of Volvo AB, LM Ericsson AB, ABB Asea Brown Boveri Ltd. and Stora Kopparbergs Bergslags AB, which account for a third of the country's exports, said in September that they would consider a foreign alternative if government policies threatened business conditions.

As a result of all this, bankers say, Swedes have set up their financial affairs abroad to a greater extent than citizens of many other countries, despite government obstacles to such moves.

"There have been very tough restrictions on taking money out of the country," said Patrik Tillman, a banking analyst at the Stockholm brokerage concern Alfred Berg.

But somehow, Swedes still manage to do it. As part of a deregulation of the banking system that began in 1985, the government relaxed currency controls. And if Swedes vote on Nov. 13 to join the European Union as of Jan. 1, it should soon become easier for individuals to conduct their financial affairs abroad, as most controls on the flow of capital and wealth would have to be scrapped in the name of the single European market.

If EU membership is rejected in that referendum, the question for wealthy Swedes will become whether the Social Democrats can raise taxes again and reimpose some of the old barriers to keep wealth from escaping, or

whether they might fall from power themselves soon, victims of the same tough economic problems that undid Prime Minister Carl Bildt's conservative coalition.

In any case, Sweden's two largest banks now have established mechanisms to help wealthy clients who prefer to keep their money in Britain or Switzerland or Luxembourg. For a while, the flow was in the opposite direction. Despite facing the highest tax rates in Europe, some Swedes did bring their money home after the reduction in tax rates in the mid-1980s and the election in 1991 of Mr. Bildt.

"There have been notable cases of wealthy individuals returning to Sweden," said Bengt Bersk, a spokesman for Svenska Handelsbanken, the country's largest bank. "They had been in the Benelux countries, Switzerland, or the U.K."

But with Mr. Bildt having been voted out of office in September, that trend could come to a halt or even turn around.

It is difficult to measure movements of private wealth into and out of a country. But one clue is net savings. When a nation's citizens save more, it could be because they have more to squirrel away or because some money is coming back into the country from abroad.

Net savings fell sharply in Sweden through the early 1980s, then picked up briefly in the middle of the decade after tax rates were cut, according to figures compiled by the Organization for Economic Cooperation and Development.

Net savings then resumed its slide until 1989, when it reached a negative 27.9 billion kronor (\$3.9 billion). Since then, though, it has picked up dramatically, rising to a positive 24.4 billion kronor in 1991 and 61.1 billion in 1992.

But, Lars Isacson, chief financial officer of Skandinaviska Enskilda Banken, said, even though wealthy Swedes were now being taxed less than before, "it's still much more profitable to keep your money in Luxembourg if you don't want to pay tax on it. There's still a significant difference."

CONRAD DE AENLLE is an editor for Bloomberg Business News in London.

California Is New Frontier for Private Bankers

By Philip Crawford

Ashore of the American film, television and music industries, the State of California has been associated with wealth for decades.

Today, the continuing growth of these sectors — in addition to the California-based expansion of high-technology industries such as computer software and biomedical research — has created a new generation of high-net-worth individuals, spawning a burgeoning need for private banking services that the state's commercial banks, independent investment advisers and brokerage firms are scrambling to meet.

What sets California apart from the rest of the United States, perhaps from the rest of the world, say analysts, is both the degree of individual wealth being amassed and the speed at which it is being accumulated.

"Silicon Valley is a truly remarkable situation," said Perry Olson, a director of The Portola Group, an investment consulting firm in Menlo Park, referring to the region near San Francisco that is home to numerous high-technology industries. "You're talking about personal balance sheets that are going from zero to \$5 million or \$10 million within 10 years, and there are thousands and thousands of people for whom that is true."

"First it was the engineers and the technicians," continued Mr. Olson. "Now, it's all of the professions that support them, such as lawyers and accountants. Factor in the aging of the wealth that was already

here in California and you have a very dynamic market. Private banking is growing faster here than anywhere else in the States and probably in the world, outside of China and Hong Kong."

Mr. Olson said that The Portola Group currently manages about \$325 million in assets for about 160 clients or families, whereas five years ago the firm was managing about \$175 million. Portola's average client has about \$2 million in investable assets.

According to PSI Inc., a Florida-based research firm that evaluates private-banking markets state by state, the number of affluent households in California (those with annual incomes of \$75,000 or net worths of \$300,000, excluding the value of a principal residence), rose by about 338,000 in the two-year span that ended Dec. 31, 1993. At that time, PSI estimated that about 304,000 California households had investable assets of over \$1 million and that 94,000 households had over \$2 million to invest. Nearly 18,000 households were found to have net worths of over \$5 million.

While this year's research has yet to be completed, California's affluence is expected to continue its expansion. Some forecasts say that the state's private banking market will increase by 20 percent annually through the end of the decade.

Traditionally, the heart of personal banking services for the affluent has been advice regarding asset allocation, or how much money to put into which investment markets. But in California, the nature of that

advice is changing due to the evolution of a new breed of private banking client — a globally oriented person who already has a substantial degree of investment knowledge.

"Around 20 or 25 years ago, a lot more people wanted full, discretionary investment management," said Vern Kozlen, manager of First Interstate Bank of California's private client services division, which was launched 10 years ago. "More clients are now interested in participating in the investment management decisions. They'll come in with a set of objectives, risk parameters and guidelines, and look to us to find solutions. And since many of them do business globally, they're not afraid to invest globally."

Mr. Kozlen said that the age of his typical client, who on average has between \$2 million and \$5 million to invest, has fallen considerably, due to the new business climate in which large sums can be made in relatively short periods of time. "The average client used to be in his late 50s or 60s," he said.

"But now we're also working with people who are in their 40s and even in their 30s. More of them are also looking for shorter-term strategies with minimum risk to principal, since they may be needing the principal within a few years to start or to expand a business."

Where huge sums of money and tight client confidentiality

are concerned — two basic elements of the private banking industry — questions about illicit funds and money laundering are bound to come up. Indeed, the decision of whether to accept large cash deposits has long been a dilemma for banks serving the high-end customer.

Amanda Wallis, an executive vice president for San Francisco-based Bank of America's private-client branch — which is referred to as The Private Bank — said the approach in California was identical to that in offshore domiciles such as the Channel Islands, where The Private Bank has an affiliate.

"The key is to know your customer," she said. "If someone walked in with a suitcase full of cash, whether we knew the person would certainly influence how we would respond. Of course, if the amount were over \$10,000, we'd have to report it." Unlike offshore domiciles, the U.S. government requires banks to report any cash transaction of \$10,000 or over.

Miss Wallis said that The Private Bank manages about \$19 billion in California for around 10,000 clients, and that its business is growing at a rate of 15 percent per year.

Contributing to California's private-banking boom, others note, is the fundamental shift in the global banking land-

scape toward consolidation, a trend that has created huge institutions where the idea of highly personalized consultation — the hallmarks of traditional private banking — seem as outdated as handwritten account ledgers.

"Automated lending systems and the sort of banking where no one knows anyone works for the vast majority of the population," said Jean Blomberg, a senior vice president and manager of executive banking at Silicon Valley Bank in Palo Alto. "But the small percentage of people who want a personal banker who knows their family, knows their tax returns and their special needs has found themselves left out and seeking such services."

Miss Blomberg said a fair number of her clients were venture capitalists, another profession that has come to be identified with California. "Say you've got a venture capitalist who spends 20 days a month on an airplane flying around the world," she said. "He wants to be able to call in and say 'Hey, I just found a great investment — can you take \$25,000 from my line of credit and put it in my checking account?'"

PHILIP CRAWFORD is a journalist specializing in business and financial topics.

Trouble Ahead for Hong Kong

Continued from Page 13

from being seen as competitors to contributors. For those private bankers and financial advisers who are expanding their businesses in rapidly growing Asia, personnel difficulties dog their progress.

"The big problem is, not enough real professionals in the market," said Patricia Lawson Lim, head of institutional private banking for Banque Indosuez. "There are so many private bankers here who have never been through a bear market."

The growing market has created great oppor-

tunities for experienced private bankers and newcomers alike, but at the cost of increased job-hopping. Many customers leave when their banker goes, but not necessarily to their banker's new home.

"The more aggressive banks appear to have the highest staff turnover," said the Swiss banker. "But staff turnover is the worst thing that can happen to you. A client hates a change in faces. He wants stability. When you can't provide it, you lose all credibility."

KEVIN MURPHY writes from Hong Kong for the International Herald Tribune.

Luxembourg Keeps Growing

Continued from Page 13

investors and the banks who decide to open offices there is the ability to pay income on investments — free of withholding tax.

Germany suffered badly when it increased its own withholding tax on bank deposits last year. A great wave of money — estimated at more than 200 billion Deutsche marks (\$134 billion) by Luxembourg bankers — flowed across the border into Luxembourg in a matter of months. Germany took up its turn for its six months presidency of the EU in July and made mutterings that the withholding tax issue would be high on its action list. But as yet, a pan-European withholding tax seems as remote a possibility as ever.

"I don't see it happening while, for example, Britain continues to agree with Luxembourg on this point," said Hans Rostek, managing director of Trinkaus & Burkhart, a Luxembourg-based

private bank that is part of Hongkong & Shanghai Banking Corp. Mr. Rostek argued that the situation might change, but only if the imposition of withholding tax were to become the standard across OECD countries — in other words, only if the Channel Islands, Gibraltar and Malta, among other domiciles, decided to adopt it.

The Luxembourg private banking community is in general dismissive of the idea that it will lose its fiscal privileges. Talk of strong-arm tactics from Germany is seen as scare-mongering, and private bankers like to accentuate the positive aspects of a financial environment that has generated such healthy-looking figures over the past ten years.

"Luxembourg has consistently shown the capacity to adapt itself and its legal environment to changing circumstances," said Olivier d'Auriol, head of the Banque Privée Edmond de Rothschild in Luxembourg. "Luxembourg was, for example, the first to react to

the 1988 directive allowing for a standard form of mutual fund to be sold across Europe. That kind of flexibility gives banks based here a big advantage in terms of marketing."

Mr. d'Auriol said that there had been particularly impressive growth in the private banking sector over the past three years, and that there was no way this would disappear overnight.

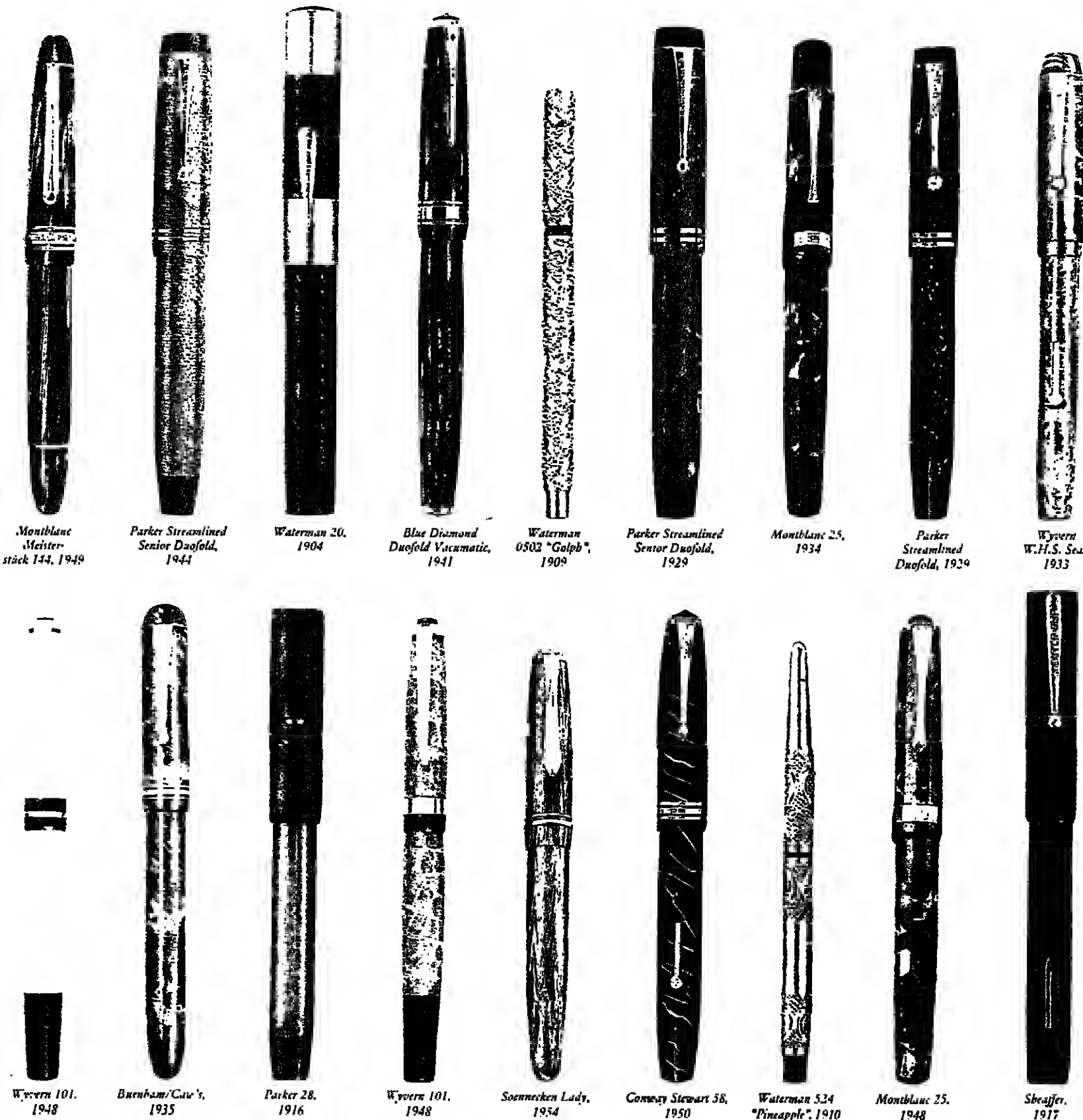
Lloyds' Bank International Private Banking, which has 19 branches worldwide, opened its Luxembourg office in the wake of the country's signature to the Pan-European fund directive, but was attracted by the Grand Duchy's other virtues.

"We identified a strong banking presence, a cosmopolitan business structure and advantageous fiscal policy," said a spokesman for the bank.

Austin O'Connor, managing director of Bank of Bermuda, Luxembourg operation, agreed that the advantages of the domicile were a "unique withholding tax structure and strong secrecy laws."

A third advantage for Luxembourg, according to Mr. Rostek, is its multi-cultural environment. Mr. Rostek argued that not only were Luxembourg's banks drawn from many countries, but business was done in several languages (principally English, French, and German). Furthermore, methods of doing business vary according to banking tradition, allowing bankers to cherry-pick the best ideas from other business cultures.

Olivier d'Auriol said that Luxembourg is obtaining much of its new international private banking business from South America.



You can tell the worth of a "Pineapple" or a "Golp", but you might wonder about the value of a Flag or a Saucer.

To build a worthwhile collection you have to be able to spot opportunities. The same applies when building a rewarding investment portfolio. In both cases, experience and specialist knowledge are needed. At UBS Private Banking all asset management involves a partnership where we take great care to understand your aims, the level of

UBS Private Banking
Expertise in managing your assets

involvement you desire and, most important of all, the degree of risk you are willing to accept. We act only when you are confident that our experience is directed to achieving your goals in the most appropriate way for you. It's a policy that has attracted clients worldwide and led us to becoming a global force with a coveted AAA rating.



HIRSCH & CIE

FINANCIAL ADVISERS
SPECIALIZED IN PRIVATE BANKING
with offices in

SWITZERLAND
100 rue du Rhône
1204 Geneva
Tel.: (4122) 310 48 00
Fax: (4122) 310 48 78

UNITED KINGDOM
12 Old Bond Street
London W1 x 3 DB
Tel.: (4471) 499 9944
Fax: (4471) 499 95 57

LUXEMBOURG
23 rue Aldringen
1118 Luxembourg
Tel.: (352) 46 67 74
Fax: (352) 46 67 76

MONACO
Parc St. Roman, 2108
98000 Monte Carlo
Tel.: (3393) 25 10 91
Fax: (3393) 25 67 64

MONDAY SPORTS

The Associated Press

Japan, which represented Asia at the first two World Cups, in 1987 and 1991, got two tries from winger Yoshihito Yoshida. In the tournament next May and June in South Africa, Japan will play in Pool C with New Zealand, the 1987 world champion; Wales, the 1994 Five Nations winner, and Ireland.

Consolidated trading for week
ended Friday, Oct. 28.
(Continued)

[illegible]

The Associated Press

oneAustralia to a runaway victory in the opener. Nobody sailed Saturday, when winds did not rise above 3 to 4 knots. Officials said a makeup race will be held Thursday.

"It's great for one Australia to come halfway around the world and win this first race," Bertrand said. "We learned a lot. We're delighted with today's results."

The Associated Press

Langer got up and down from a hunker to save par on the 18th, then Ballesteros, playing last and just behind Langer, hit a drive that came to rest almost against the base of a double-trunked tree that blocked his path to the 18th green.

References

The South African tournament will become a European Tour event in 1995, with half the field comprising Europeans, under an arrangement announced last week.

Schofield said negotiations were continuing on filling two blank weeks, in late March and early April, on the Tour schedule.

MONDAY SPORTS

Surprise: NHL Cuts Off Insurance

The Associated Press
TORONTO — If the National Hockey League's owners are seeking empathy from the players' ranks, they needn't bother seeking it from Tom Kurvers.

Not after the league didn't tell him that his group health insurance had been canceled — which he found out about after he and his wife, Suzy, seven and a half months pregnant with their first child, were involved in an auto accident.

Neither was seriously hurt, but Suzy Kurvers had to remain in the hospital overnight and Kurvers, a defenseman for the Anaheim Mighty Ducks, who thought hospital charges would be covered by the NHL's group health insurance plan, found that his coverage had been cut off Oct. 15. The action was taken without his knowledge or that of the NHL Players' Association.

Medical insurance was one of 19 items that NHL Commissioner Gary Bettman announced in August would be rolled back, with players earning more than \$350,000 forced to pick up their own premiums to maintain coverage.

The NHL then decided to pay the premiums through Dec. 15 — but changed its mind when collective bargaining talks broke down. Neither players nor the union were notified of when that coverage would end.

Talks Scheduled This Week

Compiled by Our Staff From Dispatches

NEW YORK — National Hockey League officials said that talks will be resumed this week, but the league's director of operations, Brian Burke, said the site, date and time of the talks might not be disclosed until after they were held.

In Moscow, Russia's Foreign Ministry ordered new passports issued to Alexander Mogilny and Sergei Fedorov, who left the Soviet Union illegally to play in the NHL.

The move effectively pardons the two and clears the way for them to take part in a charity tournament in Russia next month with other Russians playing for NHL teams.

Authorities also said they had dropped criminal charges filed against Mogilny when he left the Soviet Union in 1989 while serving in the army and playing on an army team.

Mogilny emigrated to the United States to join the Buffalo Sabres, and Fedorov left in 1990 to join the Detroit Red Wings. Both are now among the highest-paid players in the NHL. (AP, Reuters)

The insurance carrier, BWD Group Ltd. of Loos Island, New York, sent out notification letters — by regular mail — to each player three days after the Oct. 15 cancellation date.

"This notice is to advise you that even though you are no longer eligible to be covered... as of 12:01 A.M. Oct. 15, 1994... you have the option, at your expense, to continue the benefits under the Plan that were in effect on that date, for up to 18 months," said the letter, a copy

of which was obtained by The Canadian Press.

The letter said the player had 60 days from the date of the notification to let the "Plan COBRA Administrator" know whether he had decided to pay for his own insurance.

Essentially, COBRA is a U.S. insurance law that states that when employees' coverage is terminated, they can have access to the plan for 18 months provided they pay the premium, plus an administrative fee, retroactive to the termination date.

Kurvers said the hospital administrator told him that since his COBRA fees had not been paid, he had no coverage.

"You'd think the NHL would have made the effort to let us know," said Kurvers, a former player representative for the New York Islanders.

He was on his way to the airport to pick up a friend when the accident occurred.

"We weren't drilled hard enough to send us face first into the dashboards, but the air bags inflated and that prevented a lot of damage," Kurvers said. "At this point my wife is doing fine and the baby is fine."

He spent the night in the hospital at his wife's side and went home Friday morning to find the letter from the insurance company in that day's mail.

"I wish there would have been a better way to find out," Kurvers said. "That is not the way."

The NHL vice president, Jeff Pash, contended that "no one's coverage has been taken away from them. Everyone has exactly the same coverage today as they did 10 days ago."

However, he didn't dispute that a player had to pick up the premium for the coverage to remain in force — and that a player had to know his previous coverage had been canceled.



BEIJING VICTORY — Wang Junxia, who is the 3,000- and 10,000-meter world champion, winning the women's title Sunday in the Beijing International Marathon. Hu Gangjun of China retained the men's title, with Abebe Mekonnen of Ethiopia second.

New League In Baseball Possible?

The Associated Press

NEW YORK — The American and National leagues may be getting some competition for the first time in 80 years.

Organizers of the new United League have called a news conference for Tuesday to announce plans for the first new circuit since the Federal League in 1914-15.

Agent Dick Moss, the former general counsel of the Major League Baseball Players Association, has been organizing the league as an alternative to the existing major leagues, which have been shut down by a players' strike since Aug. 12.

A Continental League was planned in the late 1950s after the Brooklyn Dodgers and New York Giants moved to California and left an NL void in New York, but those plans were dropped after the NL expanded and created the New York Mets and the Houston Astros.

Moss, who left the union in 1977 to become an agent, has declined to give any details about the league and was ambiguous during a presentation last week to other top baseball agents, according to one participant in the meeting.

SCOREBOARD

Top 25 College Results

How the top 25 teams in the Associated Press college football poll fared this week:

1. Penn State 17-0 beat No. 21 Ohio State 43-14.
 Next: at Indiana, Saturday, 11:30 a.m.
 2. Colorado 24-7 beat No. 3 Kansas, Saturday, 4:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 3. Nebraska 24-7 beat No. 4 Oklahoma State, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 4. Auburn 18-0 beat No. 5 Florida 14-14.
 Next: at Georgia Tech, Saturday, 12:30 p.m.
 5. Miami 24-7 beat No. 6 Virginia Tech, Saturday, 12:30 p.m.
 Next: at Georgia Tech, Saturday, 12:30 p.m.
 6. Miami 24-7 beat No. 7 Virginia Tech, Saturday, 12:30 p.m.
 Next: at Georgia Tech, Saturday, 12:30 p.m.
 7. Texas A&M 17-0 beat No. 8 Texas Tech, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 8. Texas Tech 24-7 beat No. 9 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 9. Texas Tech 24-7 beat No. 10 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 10. Texas Tech 24-7 beat No. 11 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 11. Texas Tech 24-7 beat No. 12 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 12. Texas Tech 24-7 beat No. 13 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 13. Texas Tech 24-7 beat No. 14 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 14. Texas Tech 24-7 beat No. 15 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 15. Texas Tech 24-7 beat No. 16 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 16. Texas Tech 24-7 beat No. 17 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 17. Texas Tech 24-7 beat No. 18 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 18. Texas Tech 24-7 beat No. 19 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 19. Texas Tech 24-7 beat No. 20 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.
 20. Texas Tech 24-7 beat No. 21 Texas A&M, Saturday, 12:30 p.m.
 Next: at Texas Tech, Saturday, 12:30 p.m.

Other Major College Scores

EAST
 Boston College 34, Army 3
 Boston U. 28, Massachusetts 24
 Brown 14, Cornell 3
 Buffalo 24, Wake 21
 Carolina 36, St. Peter's 15
 Columbia 12, Princeton 10
 Delaware 45, Northwestern 20
 Georgetown 24, D.C. 12
 Harvard 26, Dartmouth 12
 Holy Cross 31, Fordham 21

Lafayette 58, Bucknell 14
 Lehigh 25, Colgate 22
 Marmion 31, Sacred Heart 13
 New Hampshire 13, Rhode Island 7
 Penn 14, Yale 45
 Pittsburgh 45, Temple 19
 Robert Morris 14, St. Francis 14
 St. John's 24, St. Joseph 8
 Wagner 28, Cent. Connecticut 21
 West Virginia 22, Louisiana Tech 16
 William & Mary 53, Villanova 28

SOUTHWEST
 Alabama 51, 26 Alabama A&M 0
 Auburn 24, 10 Auburn A&M 0
 Arkansas 24, 10 Arkansas A&M 0
 Baylor 24, 10 Baylor A&M 0
 Brigham Young 24, 10 BYU A&M 0
 California 24, 10 Cal A&M 0
 Colorado 24, 10 Colorado A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M 0
 Washington 24, 10 Washington A&M 0
 Wisconsin 24, 10 Wisconsin A&M 0
 Wyoming 24, 10 Wyoming A&M 0

Other Major College Scores
 Air Force 24, Wyoming 17
 Cal Poly-SLO 24, St. Mary's 17
 Col. 24, 10 Col. A&M 0
 Connecticut 24, 10 Connecticut A&M 0
 Delaware 24, 10 Delaware A&M 0
 Florida 24, 10 Florida A&M 0
 Georgia Tech 24, 10 Georgia Tech A&M 0
 Houston 24, 10 Houston A&M 0
 Iowa 24, 10 Iowa A&M 0
 Kansas 24, 10 Kansas A&M 0
 Kentucky 24, 10 Kentucky A&M 0
 Louisiana Tech 24, 10 Louisiana Tech A&M 0
 Marshall 24, 10 Marshall A&M 0
 Miami 24, 10 Miami A&M 0
 Michigan 24, 10 Michigan A&M 0
 Minnesota 24, 10 Minnesota A&M 0
 Missouri 24, 10 Missouri A&M 0
 Nebraska 24, 10 Nebraska A&M 0
 Nevada 24, 10 Nevada A&M 0
 New Mexico 24, 10 New Mexico A&M 0
 North Carolina 24, 10 North Carolina A&M 0
 Oklahoma State 24, 10 Oklahoma State A&M 0
 Oregon 24, 10 Oregon A&M 0
 South Carolina 24, 10 South Carolina A&M 0
 Tennessee 24, 10 Tennessee A&M 0
 Texas 24, 10 Texas A&M 0
 Texas Tech 24, 10 Texas Tech A&M 0
 Utah 24, 10 Utah A&M 0
 Virginia Tech 24, 10 Virginia Tech A&M

LANGUAGE

On the Edge Is Where It's At

By William Safire

WASHINGTON — Elizabeth Drew's new, highly-insider book about the Clinton presidency is titled "On the Edge," from a quote attributed to a close friend of the Clintons: "Bill has always been someone who has lived on the edge, politically and personally." The reporter treats it to mean "in the aura of danger."

On the edge is where it's at, metaphorically speaking. A blurb for Mark Olschaker's new novel, "The Edge," reads: "a thriller that stretches the limits of the genre and takes readers to the terrifying edge of human behavior and medical science."

Edge—from the Middle English edge, based on the Old English *eg*, meaning "corner, point"—came to mean "border, margin, rim," a place that lends itself to a pyrotechnic display of metaphors. What, for example, does on the edge mean?

One sense is "at the dividing line," as on the cutting edge of a blade; the lexicographer Anne Soukhovnik traces it to the 1718 Alexander Pope translation of Homer's "Iliad," where each Greek "stands on the sharpest edge of death or life." W. Somerset Maugham used this sense in his 1944 title "The Razor's Edge."

Another sense is "poised, ready," as to be on the edge of a major decision; an 1884 biography of Francis Bacon recounts: "He was now on the very edge of losing his office," a position familiar to many current candidates. This is more frequently expressed as *on the verge* of.

Yet another sense is "about to go crazy," or, in more clinical terms, "bordering on mental instability" or "losing control." The King James version of Jeremiah says: "The fathers have eaten a sour grape, and the children's teeth are set on edge." Since 1837, *edge* has been synonymous with "testy, irritable"; the closer we get to the edge, the

more nervous the meaning. Time magazine last month titled an article about cops who committed suicide "Officers on the Edge." This usage is related to the edge, which since 1929 has meant "insane."

Now we come to the sense of *on the edge* taking over at the moment: "in a precarious position," calling to mind standing on the edge of a precipice. That's Drew's "aura of danger." In a 1985 novel, Nelson DeMille wrote of "the excitement of combat, of living on the edge."

To live on the edge, in its latest meaning, is to court danger, to experience the thrilling state of always nearly getting caught.

"She glues her swimsuit to her butt," Roxanne Roberts wrote in The Washington Post about a contestant in the Miss America pageant.

"Purposeful debasement of the language," a Post reader objected. "But used this way is gutter language," Thomas Parker Jr. continued. "... not acceptable in polite conversation."

Another reader, Donald P. McEwan, countered: "This commonplace and inoffensive word is not identified as a vulgar usage in Webster's New World," adding that the dictionary includes "a synonym for butt that I imagine Parker would be even less pleased to see in print."

But is a clip of *buttock*, a Standard English word rooted in German for the fleshy back of the hip on which a person sits, as acceptable in polite modern discourse as *foot* or *penis*. The slang expression to *kick butt* is also inoffensive to most people, and *butt-head* long ago lost its taboo.

Butt-head uses the verb *butt* based on a Germanic verb for "to thrust or beat," and the noun, with a lowercase *h*, names one of MTV's cartoon characters "Beavis and Butt-head." A

recent federal district court decision in California tossed out a libel suit by the astronomer Carl Sagan on the use of the word. He'd sued Apple Computer after insisting that Apple stop using *Carl Sagan* as the code name on its personal computer; the company complied, changing the code name to *Butt-Head Astronomer*.

In dismissing the case, Judge Lourdes G. Baird wrote: "One does not seriously attack the expertise of a scientist using the undefined phrase *butt-head*."

As McEwan suggests, *butt* is a euphemism for *ass*, a word not permitted in The New York Times unless referring to a donkey. Editors have lifted this restriction when quoting presidents, as in some usages on the Nixon tapes and in George Bush's remark (intended to be private) after a debate that he "really kicked ass."

Horses are the genus *equus*; a donkey is *an equus asinus*, source of *ass* and the adjective *asinine*. In "The Law is a Ass," Charles Dickens was using the sense of "donkey," an animal that is thought to be dull-witted.

The other *ass*, the absence of which is a major loss to any medium, is a variant of a different etymon, *arse*; the *r* was dropped in common usage, just as *parcel* became *passel* and *curse* became *cuse*.

Though the vulgarism is in frequent street use, and is overused by screenwriters in a reach for realism, it remains some taboo; hence, the use of a euphemism by President Reagan in "I've had it up to my *keister*" (reportedly a Yiddishism for a collapsible display case used by con men, sometimes sat or fallen upon); the choice of "cover your rear end" to define C.Y.A. by senators; the recent popularity of the word *buns* in fashion magazines; and the inclination of some editors to seize upon the word *butt*.

New York Times Service

Gemologist Focuses On the Spiritual

By Andrew Ranard

BANGKOK — The luster in Richard Brown's eyes invites comparisons to the flawless rubies, pearls, emeralds and diamonds he deals in at his shop in Bangkok, Astral Gemstone Tailors. He has a crewcut and carries himself with military bearing. His sport shirt is buttoned at the top, and when he stands for a photograph, his back is ramrod straight and his hands folded in front with Asian propriety.

Conversation with him enters into the perilous realm of conversion. "I

Tastemakers

An occasional series about people for whom style is a way of life

am a humble servant of the Vedas," he says, referring to the ancient Sanskrit scriptures.

Brown reads, writes and speaks Sanskrit, as well as Hindi, and can speak Bengali and Thai. He picked up his Sanskrit during a seven-year hiatus at a monastery in Vrindavan, India.

So how did this ardent student of religious scriptures become a gem dealer and jewelry designer in Thailand?

What's more, he's an ordinary gemologist. His work has sparked wide interest in gem-industry circles, and he counts among his clients Thai movie stars and the queen of Thailand, who accepted a nine-piece set as a gift.

Krit Ratanarak, president of the Bank of Ayudhaya, one of the richest men in Thailand, is a business partner. Brown, a Californian, was raised in an army family and was also a minor rock star in London with a band called The Misunderstood during the late '60s. When the other members of his American band were drafted, he left for the strawberry fields of India for religious instruction.

Through reading the Vedas, where it is written that gems have sacred powers, he began his 19-year affair

with gemology, which resulted in matriculation from the Gemological Institute of America.

Brown has carved out his niche in the gem business by dealing exclusively in the 2 percent of gems on the market that are flawless, and claims that he is the only gem dealer in the world with this portfolio.

Bangkok is an appropriate base for his business, as the belief that gems have spiritual properties is widespread throughout Asia.

Yet even most Asian buyers settle for less than perfection. Brown says, pointing out a framed passage on the wall from the Jyotish Vedas, the "Science of Time": "Pure, flawless gems have auspicious qualities which can protect one from demons, snake bites, poison, diseases, sinful reactions and other dangers, while flawed stones are evil and inauspicious."

Brown's marketing logic is rigorous, with sudden leaps. "Would you buy eye spectacles or a radio crystal which was imperfect? Yet when people buy stones they're willing to settle for defects. When stones have small defects in them, the life force in them is gone, like the body, when you die or after an accident. Flawless stones have souls."

When customers enter Brown's shop, he chooses stones for them based on Vedic astrological readings. The readings are done by computer, on a program that Brown created, according to date, time, place of birth and other planetary karma.

The method is complex, but the advice can get a handle on it by referring to day of birth. For those born on Sundays, rubies are significant; for Mondays, it is pearls; Tuesday, coral; and so on.

Those who cannot afford precious stones can substitute less powerful secondary stones with their typically more exotic names — red spinel, carnelian, peridot.

Brown's religiosity camouflages his aesthetic drive. His jewelry designs — again done on computer — comprise about 180 different patterns, which include astrological configurations.



For Richard Brown, "flawless stones have souls."

And because the stones are flawless and not bought in lots, no two stones are alike. Thus, the jewelry must be designed around the shape of a stone, and each piece becomes unique.

The pieces are dated and numbered (he has passed 1,200) in limited edition, which he likens to Fabergé's jeweled eggs.

The average price of a piece is \$1,200, though some have sold for more than \$30,000. Last year's sales were more than \$500,000.

Brown's business acumen leads him back to the material world: "Mercedes-Benz didn't steal Toyota's cus-

tomers. They don't compete. They have different customers. Compared to a Benz that will last 100 years, how about a gemstone that took millions of years to create?"

"I'm creating a whole new crop of customers who are interested in higher things. In other stores, 98 percent of the customers are women. In my store 50 percent are men and 50 percent are women."

The effulgence in Brown's eyes is constant. One reaches for "the white radiance of eternity."

Andrew Ranard writes about culture and the arts in Asia.

WEATHER

Forecast for Tuesday through Thursday, as provided by Accu-Weather.

Europe

	Today	High	Low	Tomorrow	High	Low
Algeria	22/21	16/11	10/5	22/21	16/11	10/5
Andorra	14/22	11/12	6/1	14/22	11/12	6/1
Austria	19/16	7/4	3	19/16	7/4	3
Belgium	24/18	14/7	1	24/18	14/7	1
Bulgaria	20/18	11/12	6/1	20/18	11/12	6/1
Croatia	15/12	8/4	1	15/12	8/4	1
Czech Rep.	15/12	8/4	1	15/12	8/4	1
Denmark	15/12	8/4	1	15/12	8/4	1
Finland	15/12	8/4	1	15/12	8/4	1
France	20/18	11/12	6/1	20/18	11/12	6/1
Germany	20/18	11/12	6/1	20/18	11/12	6/1
Greece	20/18	11/12	6/1	20/18	11/12	6/1
Hungary	20/18	11/12	6/1	20/18	11/12	6/1
Ireland	15/12	8/4	1	15/12	8/4	1
Italy	20/18	11/12	6/1	20/18	11/12	6/1
Japan	20/18	11/12	6/1	20/18	11/12	6/1
Korea	20/18	11/12	6/1	20/18	11/12	6/1
Latvia	15/12	8/4	1	15/12	8/4	1
Lithuania	15/12	8/4	1	15/12	8/4	1
Malta	20/18	11/12	6/1	20/18	11/12	6/1
Netherlands	20/18	11/12	6/1	20/18	11/12	6/1
Norway	15/12	8/4	1	15/12	8/4	1
Poland	20/18	11/12	6/1	20/18	11/12	6/1
Portugal	20/18	11/12	6/1	20/18	11/12	6/1
Romania	20/18	11/12	6/1	20/18	11/12	6/1
Slovakia	20/18	11/12	6/1	20/18	11/12	6/1
Slovenia	20/18	11/12	6/1	20/18	11/12	6/1
Spain	20/18	11/12	6/1	20/18	11/12	6/1
Sweden	15/12	8/4	1	15/12	8/4	1
Switzerland	20/18	11/12	6/1	20/18	11/12	6/1
Taiwan	20/18	11/12	6/1	20/18	11/12	6/1
Tanzania	20/18	11/12	6/1	20/18	11/12	6/1
Turkey	20/18	11/12	6/1	20/18	11/12	6/1
U.S.A.	20/18	11/12	6/1	20/18	11/12	6/1
U.K.	20/18	11/12	6/1	20/18	11/12	6/1

North America

	Today	High	Low	Tomorrow	High	Low
Alaska	22/21	16/11	10/5	22/21	16/11	10/5
Arizona	14/22	11/12	6/1	14/22	11/12	6/1
Arkansas	19/16	7/4	3	19/16	7/4	3
California	24/18	14/7	1	24/18	14/7	1
Colorado	20/18	11/12	6/1	20/18	11/12	6/1
Connecticut	15/12	8/4	1	15/12	8/4	1
Delaware	15/12	8/4	1	15/12	8/4	1
District of Columbia	15/12	8/4	1	15/12	8/4	1
Florida	15/12	8/4	1	15/12	8/4	1
Georgia	15/12	8/4	1	15/12	8/4	1
Hawaii	20/18	11/12	6/1	20/18	11/12	6/1
Idaho	15/12	8/4	1	15/12	8/4	1
Illinois	20/18	11/12	6/1	20/18	11/12	6/1
Indiana	20/18	11/12	6/1	20/18	11/12	6/1
Iowa	20/18	11/12	6/1	20/18	11/12	6/1
Kansas	20/18	11/12	6/1	20/18	11/12	6/1
Kentucky	20/18	11/12	6/1	20/18	11/12	6/1
Louisiana	20/18	11/12	6/1	20/18	11/12	6/1
Maine	15/12	8/4	1	15/12	8/4	1
Maryland	15/12	8/4	1	15/12	8/4	1
Massachusetts	15/12	8/4	1	15/12	8/4	1
Michigan	15/12	8/4	1	15/12	8/4	1
Minnesota	15/12	8/4	1	15/12	8/4	1
Mississippi	15/12	8/4	1	15/12	8/4	1
Missouri	15/12	8/4	1	15/12	8/4	1
Montana	15/12	8/4	1	15/12	8/4	1
Nebraska	15/12	8/4	1	15/12	8/4	1
Nevada	15/12	8/4	1	15/12	8/4	1
New Hampshire	15/12	8/4	1	15/12	8/4	1
New Jersey	15/12	8/4	1	15/12	8/4	1
New Mexico	15/12	8/4	1	15/12	8/4	1
New York	15/12	8/4	1	15/12	8/4	1
North Carolina	15/12	8/4	1	15/12	8/4	1
North Dakota	15/12	8/4	1	15/12	8/4	1
Ohio	15/12	8/4	1	15/12	8/4	1
Oklahoma	15/12	8/4	1	15/12	8/4	1
Oregon	15/12	8/4	1	15/12	8/4	1
Pennsylvania	15/12	8/4	1	15/12	8/4	1
Rhode Island	15/12	8/4	1	15/12	8/4	1
South Carolina	15/12	8/4	1	15/12	8/4	1
South Dakota	15/12	8/4	1	15/12	8/4	1
Tennessee	15/12	8/4	1	15/12	8/4	1
Texas	15/12	8/4	1	15/12	8/4	1
Vermont	15/12	8/4	1	15/12	8/4	1
Virginia	15/12	8/4	1	15/12	8/4	1
Washington	15/12	8/4	1	15/12	8/4	1
West Virginia	15/12	8/4	1	15/12	8/4	1
Wisconsin	15/12	8/4	1	15/12	8/4	1
Wyoming	15/12	8/4	1	15/12	8/4	1

Asia

	Today			Tomorrow		
	High	Low	pr	High	Low	pr
Algeria	22/21	16/11	10/5	22/21	16/11	10/5
Andorra	14/22	11/12	6/1	14/22	11/12	6/1
Austria	19/16	7/4	3	19/16	7/4	3
Belgium	24/18	14/7	1	24/18	14/7	1
Bulgaria	20/18	11/12	6/1	20/18	11/12	6/1
Croatia	15/12	8/4	1	15/12	8/4	1
Czech Rep.	15/12	8/4	1	15/12	8/4	1
Denmark	15/12	8/4	1	15/12	8/4	1
Finland	15/12	8/4	1	15/12	8/4	1
France	20/18	11/12	6/1	20/18	11/12	6/1
Germany	20/18	11/12	6/1	20/18	11/12	6/1
Greece	20/18	11/12	6/1	20/18	11/12	6/1
Hungary	20/18	11/12	6/1	20/18	11/12	6/1
Ireland	15/12	8/4	1	15/12	8/4	1
Italy	20/18	11/12	6/1	20/18	11/12	6/1
Japan	20/18	11/12	6/1	20/18	11/12	6/1
Korea	20/18	11/12	6/1	20/18	11/12	6/1
Latvia	15/12	8/4	1	15/12	8/4	1
Lithuania	15/12	8/4	1	15/12	8/4	1
Malta	20/18	11/12	6/1	20/18	11/12	6/1
Netherlands	20/18	11/12	6/1	20/18	11/12	6/1
Norway	15/12	8/4	1	15/12	8/4	1
Poland	20/18	11/12	6/1	20/18	11/12	6/1
Portugal	20/18	11/12	6/1	20/18	11/12	6/1
Romania	20/18	11/12	6/1	20/18	11/12	6/1
Slovakia	20/18	11/12	6/1	20/18	11/12	6/1
Slovenia	20/18	11/12	6/1	20/18	11/12	6/1
Spain	20/18	11/12	6/1	20/18	11/12	6/1
Sweden	15/12	8/4	1	15/12	8/4	1
Switzerland	20/18	11/12	6/1	20/18	11/12	6/1
Taiwan	20/18	11/12	6/1	20/18	11/12	6/1
Tanzania	20/18	11/12	6/1	20/18	11/12	6/1
Turkey	20/18	11/12	6/1	20/18	11/12	6/1
Ukraine	15/12	8/4	1	15/12	8/4	1
U.S.	24/15	17/6	2	25/7	19/9	2
U.K.	18/12	8/4	1	18/12	8/4	1
Yemen	24/15	17/6	2	25/7	19/9	2
Zambia	24/15	17/6	2	25/7	19/9	2
Zimbabwe	24/15	17/6	2	25/7	19/9	2
Africa						
Algeria	22/21	16/11	10/5	22/21	16/11	10/5
Cape Town	23/21	16/11	6	23/21	16/11	6
Goa/Calcutta	23/21	16/11	6	23/21	16/11	6
Harare	23/21	16/11	6	23/21	16/11	6
London	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Nairobi	23/21	16/11	6	23/21	16/11	6
Paris	23/21	16/11	6	23/21	16/11	6
Tripoli	23/21	16/11	6	23/21	16/11	6
Washington	23/21	16/11	6	23/21	16/11	6
North America						
Alaska	6/43	13/21	6	6/43	13/21	6
Atlanta	24/15	17/6	2	25/7	19/9	2
Boston	24/15	17/6	2	25/7	19/9	2
Chicago	11/25	9/4	1	10/20	2/25	2
Denver	11/25	9/4	1	10/20	2/25	2
Des Moines	11/25	9/4	1	10/20	2/25	2
Honolulu	20/18	11/12	6/1	20/18	11/12	6/1
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6	23/21	16/11	6
Los Angeles	23/21	16/11	6			